

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of oath of office:

Elizabeth H. Boeker	Alice M. Fay
L. Margaret McLaughlin	Catherine L. Mahoney
Edna A. Clark	Margaret E. Willhoit
Miriam K. Christoph	Opal B. Stine
Ella Mae Hott	Genevieve S. Jones
Alice E. Keefe	Daphne D. Doster
Margaret Denham	Frances S. Buck
Eleanor J. Gochanour	Anna M. Matter
	Josephine I. O'Connor

COAST AND GEODETIC SURVEY

TO BE COMMANDERS, WITH DATE OF RANK AS INDICATED AFTER NAMES

William M. Scaife, August 1, 1947.
Robert F. A. Studts, August 1, 1947.

TO BE LIEUTENANT COMMANDERS, WITH DATE OF RANK AS INDICATED AFTER NAMES

Gilbert R. Fish, August 1, 1947.
Franklin R. Gossett, August 1, 1947.

TO BE LIEUTENANT (JUNIOR GRADE), WITH DATE OF RANK AS INDICATED AFTER NAME

Allen L. Powell, August 16, 1947.

TO BE ENSIGNS, WITH DATE OF RANK AS INDICATED AFTER NAMES

John R. Plaggmier, July 28, 1947.
Leonard S. Baker, September 9, 1947.

IN THE ARMY

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

George Abbott Brownell
Clarence Lemar Burpee
Ken Reed Dyke
Robert Joshua Gill
Maurice Hirsch
Julius Cecil Holmes
Edwin Whiting Jones
Francis Rusher Kerr
James Fenton McManmon
William Claire Menninger
Hugh Meglone Milton II
John Joseph O'Brien
Francis Willard Rollins
Conrad Edwin Snow

HONORARY RESERVE

To be brigadier generals

Thomas Donald Campbell
Oscar Nathaniel Solbert
William James Williamson

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES OF THE ARMY OF THE UNITED STATES

To be major generals of the line

John Charles McLaughlin
James Clyde Styrone

To be brigadier generals of the line

Walter LeRoy Anderson
Waldemar Fritz Breidster
Wallace Anthony Choquette
Albert Bartlett Crowther
Henry Cotheal Evans
George Washington Fisher
Ansel Blakely Godfrey
Paul Henry Jordan
James Albert Lake
Harold Gould Maison
Wallace Huntoon Nickel
Charles Gurdon Sage
Brenton Greene Wallace

WITHDRAWAL

Executive nomination withdrawn from the Senate June 18 (legislative day of April 21), 1947:

FEDERAL COMMUNICATIONS COMMISSION

Ray C. Wakefield to be a member of the Federal Communications Commission.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 18, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of infinite love, who hast promised to those who with all their hearts truly seek Thee Thou wilt remove their transgressions from them, we pray for that true joy which Thy presence alone can give. As Thou dost require truth in the inward parts, cleanse Thou us from secret faults; forbid that we should be hasty in our judgments, lest in judging others we condemn ourselves. Grant that all hidden motives may be woven into a plea for unity and understanding among us. May we never miss life's great things, which neither strive nor fret, but move in gentleness and quiet as the purpose of Thy wondrous love is revealed.

In our Saviour's name and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

AMENDMENT TO FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3818) to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes, and asks for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That clauses (1), (2), and (3) of section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400), as amended, are hereby amended to read as follows:

"(1) With respect to wages received during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar years 1950 to 1956, both inclusive, the rate shall be 1½ percent.

"(3) With respect to wages received after December 31, 1956, the rate shall be 2 percent."

Sec. 2. Clauses (1), (2), and (3) of section 1410 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1410), as amended, are hereby amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar years 1950 to 1956, both inclusive, the rate shall be 1½ percent.

"(3) With respect to wages paid after December 31, 1956, the rate shall be 2 percent."

Sec. 3. Section 504 of the Social Security Act amendments of 1946 (Public Law 719, 79th Cong.), fixing the termination date of amendments relating to grants to States for old-age assistance, aid to the blind, and aid to dependent children, is hereby amended by

striking out "December 31, 1947" and inserting in lieu thereof "June 30, 1950."

Sec. 4. Section 603 of the War Mobilization and Reconversion Act of 1944 (terminating the provisions of such act on June 30, 1947) shall not be applicable in the case of the amendments made by title IV of such act to the Social Security Act.

Sec. 5. (a) Section 904 (h) of the Social Security Act is hereby amended to read as follows:

"(h) There is hereby established in the unemployment trust fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to (1) the excess of taxes collected prior to July 1, 1946, under title IX of this act or under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1946, plus (2) the excess of taxes collected in each fiscal year beginning after June 30, 1946, under the Federal Unemployment Tax Act, over the unemployment administrative expenditures made in such year. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, expenditures for the administration of that title by the Board or the Administrator, and expenditures for the administration of title IX of this act, or of the Federal Unemployment Tax Act by the Department of the Treasury, the Board, or the Administrator. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of \$40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

(b) Section 1201 (a) of the Social Security Act is hereby amended by striking out "on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947", and inserting in lieu thereof "on June 30, 1947, or on the last day in any ensuing calendar quarter."

With the following committee amendment:

Page 4, after line 10, insert the following: "Sec. 6. This act may be cited as the 'Social Security Act amendments of 1947.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, these amendments to the Social Security Act were unanimously adopted by the Committee on Ways and Means. The salient facts are set forth in the following:

Federal Insurance Contributions Act—Federal old-age and survivors' insurance under original 1935 Social Security Act

Contributions under 1935 act:	Percent
1937 to 1939.....	1
1940 to 1942.....	1½
1943 to 1945.....	2
1946 to 1947.....	2½
1948.....	2½
1949.....	3
1950 to 1956.....	3
1957 and thereafter.....	3
Contribution rate under present law:	
1937 to 1939.....	1
1940 to 1942.....	1
1943 to 1945.....	1
1946 to 1947.....	1
1948.....	2½
1949.....	3
1950 to 1956.....	3
1957 and thereafter.....	3
Contribution rate under H. R. 3818:	
1948 and 1949.....	1
1950 through 1956.....	1½
1957 and thereafter.....	2

Unless H. R. 3818 is enacted, the contribution rate under the Federal Insurance Contributions Act will automatically increase to 2½ percent each on employer and employee in 1948, and to 3 percent each in 1949.

The enactment of H. R. 3818 at this time will, under present economic conditions, relieve employers and employees of additional contributions amounting to \$1,000,000,000 each in 1948 and \$1,400,000,000 each in 1949.

The rate has been frozen at 1 percent seven times, notwithstanding the accumulation of approximately \$8,700,000,000 in the Federal old-age and survivors' insurance trust fund.

Income to fund this year, 1947—fiscal year—is estimated at \$1,565,000,000. Disbursements are estimated at \$464,000,000 for the same period.

Under H. R. 3818, the fund will have increased to about twice its present size in 1956.

At the end of 1946, there were 75,500,000 living persons who had wage credits under the insurance system.

On June 30, 1946, there were 1,500,000 persons receiving benefits. There were 888,000 persons fully insured who, if retired, could draw benefits.

There are 1,155,000 persons who are eligible for old-age benefits who are not drawing them at the present time.

Rates in H. R. 3818 will provide an actuarially sound system at least for the next 10 years.

AGED, BLIND, AND CHILDREN

Section 3 of the bill contains the increased Federal grants to the States for needy, aged, and the blind, and dependent children until June 30, 1950.

UNEMPLOYMENT INSURANCE FUND—WAR MOBILIZATION AND RECONVERSION ACT OF 1944

H. R. 3818, sections 4 and 5, provides for continuance on permanent basis certain temporary provisions of the War Mobilization and Reconversion Act of title IV of that act which expires June 30, 1947, unless made permanent.

Provisions established within the unemployment trust fund a separate account known as the Federal unemployment account. It authorized congressional appropriations to be made there-to in amounts equal to the excess of tax collections under the Federal Unemployment Tax Act over the unemployment administration expenditures, and such further sums as may be necessary.

The excess of Federal unemployment tax collections, as to State grants for administering unemployment insurance; and as to the resulting net profits which the Federal Government has so far made in tax collections. Excess at present amounts to some \$800,000,000. This sum collected has been spent by Federal Government. Otherwise it could have been used for unemployment insurance purposes. This sum should be made permanently and irrevocably available for unemployment insurance purposes.

The reserves of 22 States exceed ten times the highest annual expenditures.

EXTENSION OF REMARKS

Mr. HOEVEN asked and was given permission to extend his remarks in the Ap-

pendix of the Record and include an article by David Lawrence.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the Record and include a magazine article.

Mr. BLACKNEY asked and was given permission to extend his remarks in the Record and include a radio address which he gave over WJR, Detroit, Mich., on Saturday, May 31, 1947.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. ELSAESSER asked and was given permission to extend his remarks in the Record.

Mr. BRADLEY asked and was given permission to extend his remarks in the Record and include a resolution by the Congregational Christian Churches of California and other Southwestern States regarding peacetime military training.

SHIPMENT OF STEEL PIPE FROM LONG BEACH, CALIF.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, the greatest shipment of material ever to be sent out of any one port to any one account, in the history of the world, is about to commence from the harbor of Long Beach, Calif. More than 1,000,000 tons of steel pipe, to be used by the Standard Oil Co. of California and the Texas Co. in the construction of an oil pipe line across Arabia, from the Persian Gulf to the Mediterranean, will be transported in a fleet of from 35 to 50 freighters, sailing at intervals of about every 5 days, until the shipment is completed. This vast quantity of pipe will be fabricated at the plant of the Consolidated Steel Co., at Maywood, Calif., from plates rolled at the United States Steel's mill in Geneva, Utah.

The port of Long Beach is pleased to receive this recognition of its high position in maritime circles—this recognition of the fact that it is now one of the best equipped, one of the most ably managed; in fact, one of the great ports of the world. It is a port which can accommodate ships of any size now afloat and which can handle expeditiously cargoes of practically any nature with a minimum of expense and with a maximum of expedition for both ship and cargo.

This shipment well illustrates the great industrial advance of our Western States.

THE ROCK THAT MR. TRUMAN THREW AT THE TAXPAYERS

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the rock Mr. Truman threw at the taxpayers yesterday was shaped like a boomerang.

Let us be candid; everybody agrees that some of the surplus should be used for tax reduction.

We are fighting about what is to be done about the rest of it.

We Republicans believe that tax money which the Government does not need should be left with the taxpayer, who does need it to make both ends meet.

Truman Democrats say: Tote that barge, lift that bale, because we need your taxes to keep the boys on the pay roll; our slogan is: Truman in 1948—your taxes will help us.

Meanwhile, shall we vote billions for Europe, while a Democratic President denies tax relief to the American people?

THE HONORABLE EDWARD MARTIN

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, when the Thirteen Colonies of the United States had banded themselves together and were fighting for their very existence, which meant the liberty and the independence of the United States of America, General Washington caused to be created in the city of Philadelphia, Pa., the first American flag.

Last Saturday, on the anniversary of that important historical date in my State, the Governor of Pennsylvania, the Honorable James H. Duff, awarded the distinguished service medal of the Commonwealth of Pennsylvania to Maj. Gen. EDWARD MARTIN, former Governor of our State, former auditor general, former treasurer, and former adjutant general, and a former commanding general of the Twenty-eighth Division. General MARTIN is now representing the Keystone State in the United States Senate.

I know I voice the sentiment of more than 10,000,000 Pennsylvanians in applauding the action of Governor Duff, as no Pennsylvanian in the long history of the Keystone State has built up such an impressive record of service to his State and his Nation as has General MARTIN. The Republican Party, which is already overwhelmed with a wealth of men of the capabilities and the talents that are required for the Presidency of the United States, would do very well to come back to the birthplace of the Nation and to examine the talents and abilities of this distinguished American.

COMMONWEALTH OF PENNSYLVANIA,
GOVERNOR'S OFFICE,
Harrisburg, June 14, 1947.

CITATION FOR DISTINGUISHED-SERVICE MEDAL

Maj. Gen. EDWARD MARTIN, an outstanding soldier, statesman, United States Senator, Governor, auditor general, treasurer, adjutant general, and commanding general, Twenty-eighth Division; his rare abilities, under-

standing of human nature, his counsel and guidance as a counselor at law, command the admiration and respect of all.

As an outstanding superior soldier and veteran of three wars, he was awarded the Distinguished Service Cross and the Purple Heart with the Oak Leaf Cluster. As commanding general, Twenty-eighth Division, his diligence to his duties, close attention to painstaking details, and his thoroughness of purpose, at times requiring the utmost tact and diplomacy, not only created a great combat division but won the hearts and admiration of his fellow soldiers. With many years as a public official, he labored incessantly for the benefit and welfare of his fellow man. Kind, courteous, and considerate always, the result of his efforts will stand as a monument to his memory.

In recognition of his unusual service to Pennsylvania, we do hereby award to him the distinguished-service medal of the Commonwealth of Pennsylvania.

[SEAL] JAMES H. DUFF,
Governor of Pennsylvania.

EXTENSION OF REMARKS

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Inquirer of June 14.

COOPERATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, where is the cooperation which you were supposed to get?

Millions of American taxpayers do not get any tax relief this year because we do not have enough Republican Congressmen to override a Democratic President's veto.

The Republicans are fighting as hard as they can to get some semblance of economy and efficiency in the Government departments. We Republicans are doing all we can to cut off appropriations to curb the departments from doing things that spell defeat in efficiency and economy. We get no cooperation from the Chief Executive.

Where is the cooperation that Congress was supposed to get? The American people must realize that since last November a new Congress was elected. If they want results in economy, less taxes, and better laws, we will need the help of a President who will cooperate with the Congress.

Next year elect a Republican President.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Minnesota.

Mr. KNUTSON. In 1945 the President signed a tax bill that gave \$6,000,000,000 relief to the corporations in the face of a \$50,000,000,000 deficit. Now when there is a surplus in the Treasury he refuses to give the masses tax relief.

Mr. RICH. If he does not want to give tax relief, why does he not cut down Government expenses?

Let him give us a little cooperation. He promised it—but it is lacking.

EXTENSION OF REMARKS

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include editorials appearing in the New York Times, the New York Sun, and an article by David Lawrence.

Mr. OWENS asked and was given permission to extend his remarks in the RECORD concerning Danish-American Day.

Mr. SMITH of Virginia asked and was given permission to extend his remarks in the RECORD.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an address by Gen. L. C. Sheppard.

Mr. RAINS asked and was given permission to extend his remarks in the RECORD and include an address by Thomas Russell.

Mr. MORRISON asked and was given permission to extend his remarks in the RECORD.

FUTURE LEADERS OF AMERICA

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, those who are worried about the future of our Nation need only to meet the leaders of tomorrow to know that their fears are groundless. If we want to know the leaders, all we have to do is to meet the students from the various parts of the United States who are visiting our Capitol each day of the week. Today we have the pleasure of greeting a group of students of the high school of Barrington, Ill., which is located in the northern part of Illinois. Barrington is a fine farming community. The position of Barrington township is unique in that it is divided half between Cook County and half between Lake County, and represented by two districts, the Seventh and Tenth of Illinois. I have the honor to represent the Seventh. Yesterday, in the State of Illinois, we had the long-awaited congressional redistricting bill passed, and in the near future all the people of Barrington will be represented by the Honorable RALPH E. CHURCH, and I shall lose those fine constituents. My loss is his gain. I congratulate Mr. CHURCH.

THE TAX BILL

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, now that the House was unable or unwilling to override the President's veto of the tax bill and we are going to collect all this money from the people, it behooves this

Congress to cut down on expenditures. We have to cut down these appropriations that have already been made; we ought to cut them a lot, and if this money must be taken from the taxpayers, it should be used in the public interest. It should be used to reduce the national debt. If the people cannot use it for their own benefit, as well as for the benefit of their communities, it ought to be applied to the national debt and not spent in the hope of electing and continuing the present reckless administration who seem to understand only deficit financing.

Mr. Speaker, I ask unanimous consent to include as part of my remarks an editorial in today's the Philadelphia Inquirer entitled "So Millions of Little People Do Without Tax Cut."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. The editorial referred to reads as follows:

SO MILLIONS OF LITTLE PEOPLE DO WITHOUT TAX CUT

When the House yesterday lacked two votes needed to override President Truman's political veto of the \$4,000,000,000 income tax-reduction bill, this worth-while measure died the death to which the Executive's indefensible action had condemned it.

So it is good night for the present to all tax-reduction hopes. As Speaker JOSEPH W. MARTIN commented, "This is the last say on taxes this year. Apparently the Democrats have little interest in cutting expenditures and reducing taxes. We may have to wait until we get a Republican President before we get tax reduction."

One thing Mr. Truman utterly failed to do in his labored message explaining his veto. He didn't make the explanation stick. His flimsy excuses carried clearer implication than ever that he and his associates are determined to twist tax reduction to partisan political purposes in a Presidential election year.

Why, otherwise, would he have made the ridiculous assertion that he is committed to tax reduction but only "the right kind of tax reduction, at the right time"? The right time for him, presumably, is not 1947 but 1948.

And why, otherwise, in purporting to set forth the injustices of the Republican tax-cut bill, would he have cited take-home pay increases based on dollar income rather than on the percentage of tax savings to the individual? The political odor of the President's illustration was strong.

But even if his point were justified—and it is, of course, obvious that the wealthy man would have more dollar (but not percentage) saving than the man in the lower brackets—it's a certainty that the millions of little people would have gotten a bigger kick, and probably more benefit, out of the tax reduction than would the man with an income of \$100,000 or more.

However, the millions of little people as well as the handful of wealthy folk will have to go along without a welcome boost in their take-home pay, will have to go on fighting high prices with their war-taxed incomes—just because the time wasn't right for Mr. Truman to sign a tax-reduction bill, which both Houses of Congress had passed by impressive majorities. The whole business is disgusting, a travesty on democracy.

MEAT PRICES IN NEW YORK CITY

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the City Council of the City of New York has asked us to investigate the soaring meat prices, especially in New York City. New York Markets Commissioner Eugene G. Schulz reports on the basis of a city-wide sampling meat prices within an 18-day period have advanced upward of 29 percent.

These outrageous price rises are not limited to choice cuts but strike the hardest kind of blows against low-income families, who buy the cheaper meats, so that a hamburger has become a luxury in New York.

It is hoped that the House Agriculture Committee will immediately investigate these gouging advances, and especially the spread of price between cattle growers and retail butchers. I incline to the belief that the investigation will show illegal price fixing. Continuance of present conditions will result in the bulk of New York families being deprived of necessary nutrition that comes from meat.

EXTENSION OF REMARKS

Mr. ROONEY asked and was given permission to extend his remarks in the Record and include an editorial from the Washington Evening Star.

Mr. DEANE asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. SMATHERS asked and was given permission to extend his remarks in the Record and include a resolution adopted by the State Legislature of Florida.

Mr. SABATH asked and was given permission to extend his remarks in the Record and include two editorials.

Mr. RICHARDS asked and was given permission to extend his remarks in the Record.

INCOME-TAX REDUCTION

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, the remarks just made by the gentleman from Pennsylvania [Mr. RICH] and the gentleman from Minnesota [Mr. KNUTSON] remind me of a sign I used to have in my law office some years ago which said "Quit your bellyaching." I sincerely trust that before this Eightieth Congress finally recesses we will have a real tax reduction bill which will be just and fair to the little man, not a bill such as the one the Republican majority tried to put over on the people of America; a tax reduction bill which will not be for the benefit of the \$300,000-a-year income taxpayer contributor to the Republican National Committee, but a tax bill which will increase the exemptions of the little man and take the citizen making less than \$2,500 a year off the tax rolls.

TERMINAL-LEAVE-PAY BONDS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I bring to you today the voice of the Legislature of the State of Florida, which passed unanimously a Senate concurrent resolution requesting this Congress to pass legislation providing for cash payment to veterans holding terminal-leave bonds. I hope we will not delay longer passing this legislation. I further bring to you the voice of the American Legion, the State Department of Florida, which unanimously passed a resolution calling on this Congress to pass legislation making said bonds redeemable in cash. We have but a few days left now to pass such legislation and send it to the Senate for action. We waited the last session until the very last minute to give these boys their terminal-leave pay, and when the bill went to the other body it came back unsatisfactory to this House by making terminal leave pay in bonds instead of cash. Let us take action now to right that wrong and provide that these boys can get cash. Let us not go home and tell the boys, "We had to accept something because the other body did it." I appeal to you to do something today. Do not procrastinate. The day of salvation is at hand.

COOPERATION

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, as a boy I learned how effective and how important cooperation could be, when one day I batted bumble bees right and left in a clover field, and the next day I was foolish enough to stir up a nest of them in an old rotten log. On the one occasion I was victorious over hundreds. On the other occasion I was pretty badly bungled up and put to flight by a mere handful.

The point I want to stress is this: Cooperation is a very effective and a very desirable thing in the world today. In fact, it is the basis of civilization. Now, then, if one branch of the Government wants cooperation on its foreign policies, perhaps another branch of the Government should expect cooperation on domestic policies.

Mr. Speaker, 2 years ago President Truman signed the Revenue Act of 1945, which was a Democratic tax measure sponsored by the gentleman from North Carolina, Congressman ROBERT DOUGHTON, then chairman of the Ways and Means Committee. The Revenue Act of 1945 provided tax relief of over \$6,000,000,000 per year, most of which went to corporations; and this in the face of a \$20,000,000,000 budget deficit. Now, President Truman has vetoed a Republi-

can tax reduction bill that proposed to give 49,000,000 individuals tax relief amounting to \$4,000,000,000, most of which would have gone to taxpayers in the lower brackets. The bill was vetoed in spite of the fact that we expect a Treasury surplus of several billion dollars during the present fiscal year.

In taking this action President Truman brushed aside the advice of such Democratic leaders as Senator GEORGE and the gentleman from North Carolina, Congressman DOUGHTON, who told him the country needed tax relief now. These two men are outstanding tax authorities, each having been chairman of the respective tax committees of the Senate and the House. President Truman preferred to follow the advice of lesser men who do not understand that this Nation cannot long maintain full employment, full production, and a sound economy, and at the same time carry the present excessive wartime tax load. The President's veto message forces the internal revenue men to continue to extract 20 percent out of the pay envelopes of some 45,000,000 American workingmen.

It is interesting in this connection to note that in 1944, President Roosevelt vetoed a tax bill, the first tax bill ever to be vetoed by an American President. And at that time Senator Truman joined Senator BARKLEY in denouncing the veto message and helped by his vote to override that veto.

TAX, SPEND, ELECT

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, it is still tax and tax and tax, and spend and spend and spend, but it will not be elect and elect and elect.

EXCISE TAXES ON TRAILERS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, at the present time we have a 7-percent excise tax on housing in the form of trailers.

The levy constitutes an unjust and discriminatory tax on one particular type of housing. It is not levied against any other form of housing.

Last year the Government collected more than \$5,000,000 in trailer excise taxes.

Most of that money was paid by veterans who needed housing.

So far this year more than 60 percent of the trailers sold have gone to veterans.

The Bureau of Internal Revenue maintains trailers should be taxed along with other automotive equipment.

The facts are that through direct purchase the Government has recognized trailers to be housing, not automotive equipment.

Milwaukee has purchased more than 1,000 trailers for housing so far this year. Hundreds of smaller cities have purchased them in lesser quantities.

In 1941 the Michigan State Supreme Court upheld a decision of Circuit Judge H. Russell Holland, in which Judge Holland stated clearly that trailers are housing units.

Last year Housing Expediter Wilson Wyatt recognized trailers as housing by including them in the Government emergency-housing program.

It is time for us to take the 7-percent excise tax off housing and I hope that Congress will do that in the very near future.

UNITED STATES REDEEMS RUSSIAN MONEY

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, for the past 24 hours word has been coming to us through the press and over the radio that the United States Government has had to redeem \$380,000,000 worth of money spent in occupied Germany by Russian soldiers. The United States is called upon to redeem this money because it is in fact American occupation money made available to Russia by the United States. This money was printed by Russia on plates furnished them by the Treasury of the United States early in 1945. They are still printing it and still spending it, and we are still redeeming it. How much we will have to redeem we do not know.

Mr. Speaker, is it possible that the tax bill was vetoed in order to be sure to have enough of American taxpayers' dollars to redeem American occupation money spent by the Russian Army in the occupied zone in Germany?

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the Record and include certain editorials and extraneous material.

VETO OF THE TAX BILL

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KILBURN. Mr. Speaker, under the Constitution, the House of Representatives has the power to tax the people of this country and take their money to run the Government. Under that same Constitution, the President is empowered to direct foreign affairs.

The founding fathers that wrote the Constitution inserted a provision that the President could veto legislation passed by Congress. That veto was presumed to be used sparingly and only under unusual circumstances.

We now have the spectacle of the President using that veto power to, in effect, legislate on the taxing authority of the House. In other words, one man now says how much money shall be taken away from the individual wage earner. I feel that the President was wrong in using his veto power for this purpose. The House passed the tax bill by a big majority and if the President had lived up to the spirit of the Constitution he would have signed that bill because the taxing power is vested in the House and not in him.

Under the Constitution, the foreign relations is very properly directed by the President. I have always supported the President in his direction of foreign affairs. Many times there have been grave doubts in my mind when I voted. I have felt, however, that the President and the Secretary of State and his foreign department knew the facts probably better than I, so I have tried to support him in our relations with other countries. I feel that is following the provisions and spirit of the Constitution.

Now the President has taken upon himself the authority of telling the House of Representatives how they shall tax the people. He is taking this authority for what, to my mind, is a frivolous reason. He apparently wants to gain some questionable political advantage. If I, as a Member of the House, acted with the same motives and in the same spirit as the President, I should vote against every proposal that he makes. I will not do that. I still intend to vote for what I consider and believe are the best interests of the country under the spirit of the Constitution.

EXTENSION OF REMARKS

Mr. MCGREGOR asked and was given permission to extend his remarks in the Record and include therein an article written by one of his constituents.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Record and include a resolution.

Mr. VURSELL asked and was given permission to extend his remarks in the Record.

INDEPENDENT OFFICES APPROPRIATION BILL, 1948

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3839, with Mr. SPRINGER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. General debate was completed on yesterday and the first paragraph of the bill had been read.

The Clerk will read.

The Clerk read as follows:

PANAMA CANAL CONSTRUCTION ANNUITY FUND

Panama Canal construction annuity fund: For payment of annuities authorized by the act of May 29, 1944 (Public Law 319), \$1,910,000.

Mr. GORE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for eight additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. PHILLIPS of California. Mr. Chairman, reserving the right to object, I do not think the committee has any thought of limiting the time or objecting, but what was the nature of the gentleman's comment? Would it be possible to ask for the additional time when the gentleman has consumed the first 5 minutes?

Mr. GORE. If the gentleman so wishes that procedure, it is satisfactory to me. I withdraw that request, Mr. Chairman. I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Chairman, I have seen in the press and heard over the radio a great many statements and many varying figures and amounts as to how much the budget has been cut to date. The truth is that the phony cuts—that is, the phony claims of reductions—now exceed the real cuts in the budget by nearly a billion dollars.

The purely phony budget-cut claims of the Republicans have now reached a total of \$2,649,150,000.

Republican leaders now shy away from the word "reduction" and are undertaking to substitute the word "saving"—with a double meaning. For instance, they are now claiming as savings not only phony reductions, but additional revenue as well.

With consideration of the 1948 budget about completed by the House, the vaunted Republican economy drive is now revealed to have fizzled—hopelessly bogged down. The bona fide reductions in appropriations now total only \$1,875,716,750—pitifully short of the \$6,000,000,000 goal.

What is more, the reduction is larger now than it will be at any time between now and June 30, 1948. The process of reducing the reduction will soon get under way by two methods: One, the other body, will add many millions of increases as they consider appropriation bills, and, two, deficiency bills will have to be considered early next year.

I have kept the fiscal score so far, and I expect to keep the tally until all deficiencies are in and the fiscal year ends June 30, 1948. At that time I shall be surprised if the Republicans do very much better than to live within the President's budget.

BONA FIDE AND PHONY CUTS

I decided to post the scoreboard. To do so, I have made two charts or tables and place them side by side: First, total

bona fide reductions in appropriations made by the House of Representatives, and, second, the phony budget-cut claims in which there is not one dollar of real reduction of Government expenditure. Here they are:

Total bona fide reductions in appropriations made by the House of Representatives for fiscal year 1948 (including independent offices bill as reported)

Appropriation bills:	Bona fide reductions
Treasury, Post Office.....	\$97,072,750
Labor, Federal Security.....	28,825,520
Government corporations.....	14,847,550
Agriculture Department.....	343,427,742
War Department.....	435,809,077
Navy Department.....	377,519,200
State, Commerce, Judiciary.....	159,645,031
Interior Department.....	134,006,907
Independent offices.....	175,240,732

Total..... 1,766,394,509

¹ Includes a \$20,000,000 reduction in appropriation for Philippine War Claims Commission which may or may not prove to be a real reduction.

Phony budget cut claims (in which there is not one dollar of real reduction of Government expenditure)

Postponement of tax refunds.....	\$800,000,000
Additional revenue from ship sales.....	505,075,000
Downward revision of budget by the President.....	291,075,000
Treasury cancellation of CCC notes.....	642,000,000
Abolishing Maritime Commission's revolving fund.....	108,000,000
Atomic Energy Commission part-year appropriation.....	75,000,000
Contract authorization instead of appropriation for veterans' hospitals.....	30,300,000
Substitution of contract authorization for money already appropriated.....	50,000,000
Deferral of appropriation for veterans' pensions.....	50,000,000
Contract authorization substituted for appropriation for Hill-Burton hospital program.....	50,000,000
UNRRA.....	47,700,000

Total..... 2,649,150,000

¹ Does not include alleged reduction in Maritime Commission budget of \$73,200,000 which, together with elimination of budget limitation, will probably increase rather than decrease expenditures.

REAL REDUCTIONS LISTED

I should like to point out first the real reductions in the budget. These are taken from the bills that we have passed. They total \$1,876,716,750. These are to be considered in conjunction with the phony cuts claims in which there is not one dollar of real reduction in expenditure to the taxpayers. I should like to take these in turn and give my own explanation of why they do not represent any real cut in Government expenditure.

Let us take the first one: Postponement of tax refunds. That has been debated here, and I will not detain the Committee at any length to discuss that, but will merely quote the distinguished chairman of the subcommittee which reported the bill. In debate on the bill the gentleman from New Jersey [Mr.

CANFIELD] said on March 10 when the bill was under consideration:

We do not intend to leave the impression that this \$800,000,000 reduction will save a single dollar for the taxpayer. The Government will still have to pay out whatever taxes are paid unnecessarily.

That is better than I can say it, and it comes from the distinguished chairman of the subcommittee; yet in repeated statements to the press I have seen this claimed as a saving or a reduction in the President's budget.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I shall be delighted to yield.

Mr. COUDERT. Does the gentleman deny that that is a reduction from the budget estimate of the President? Yes or no, please.

Mr. GORE. I am saying, as the distinguished chairman of the subcommittee said—

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GORE. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

Mr. PHILLIPS of California. Mr. Chairman, reserving the right to object, I certainly know that neither the committee nor I personally will object because we are always glad to have anyone, even a member of the opposite party, demonstrate so clearly the savings that are being made to the taxpayers of the United States; and I do not believe the taxpayer will care particularly whether it is called a saving or a reduction, as the effect on the taxpayer's pocketbook is the same. If the gentleman from Tennessee will permit me, I thought perhaps he could save time if it might be understood that the minority party of which he is so distinguished a member is opposed to all reductions in spending or reductions in the budget. That would save some of his time. That is all I have in mind.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Chairman, you will note the sudden use of the word "saving." You will notice it more as we go along.

Mr. COUDERT. Mr. Chairman, will the gentleman answer the question I asked before his time ran out?

Mr. GORE. I will be delighted to yield, but I must warn the gentleman it may be necessary to request additional time if I yield because I have a number of items to discuss.

Mr. COUDERT. The gentleman's time will not be cut off prematurely, I am sure.

Mr. GORE. I thank the gentleman. I have served on the committee with the able gentleman from New York and whenever he asks anyone to yield I know he has in his mind a real contribution to the discussion; so I gladly yield to the gentleman.

Mr. COUDERT. I thank the gentleman for yielding. I too have enjoyed service with the gentleman from Tennessee. I would like the gentleman from

Tennessee to tell me whether or not the first item in that, and the only one to which he has referred, does not in fact reflect a reduction in the budget estimates submitted by the President?

Mr. GORE. It represents a phony reduction. It is apparent but not real, as I have quoted the chairman of the subcommittee as saying.

Mr. COUDERT. I would like to ask the gentleman one further question. Does the gentleman admit that the point of departure, the point of comparison, in determining what is or what is not a budget reduction must be the original figure submitted in the original budget estimates from the Budget Bureau? I think that is a very simple question.

Mr. GORE. In reply, I would like to ask the gentleman a question: Does he think that this saves the American taxpayers one dollar?

Mr. COUDERT. Now, wait a minute.

Mr. GORE. Well, I am waiting for the gentleman's answer.

Mr. COUDERT. If our budget estimate is correct, it will save the American taxpayers no less than \$800,000,000, or whatever the figure is.

Mr. GORE. I beg to disagree with the gentleman.

Mr. COUDERT. Of course, that would be a bagatelle to the gentleman's party because the Members on that side do not care anything about the people's money except to spend it.

Mr. GORE. The estimate, whether for \$800,000,000 more or \$800,000,000 less, would not save one dollar nor cost one dollar extra. Only those taxes which are overpaid will be repaid and none which are not overpaid will be repaid.

Mr. TABER. Mr. Chairman, will the gentleman yield? I want to ask him a question about the first item.

Mr. GORE. Will the gentleman secure me additional time?

Mr. TABER. I do not imagine the gentleman will have too much difficulty in that respect. This is the picture—

Mr. GORE. This is the picture absolutely.

Mr. TABER. If the money is not needed and the evidence indicated that it would not be needed, it is very proper for the Congress to operate and put in a figure that will represent what is needed instead of a phony figure that might be in the budget.

Mr. GORE. The evidence of which the gentleman speaks is incorporated, I take it, in the report of the committee. The report says that taxes are going to be cut, therefore, the amount of tax refunds would be less. As a matter of fact, the very opposite would be the result. You and I are paying taxes and have been paying taxes at current rates, and any cut in taxes would entitle us to more refunds; not less. The evidence to which the gentleman refers is as spurious and bogus as the claim of budgetary reduction.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The claim of our Republican friends at the beginning of the session was that they would make a \$6,000,000,000 reduction.

Mr. GORE. By reason of cuts in the budget.

Mr. McCORMACK. Now, if this \$800,000,000 was appropriated and it was not needed, not a penny of it would be spent.

Mr. GORE. Not one.

Mr. McCORMACK. So there is no economy here, and the position that the gentleman from New York [Mr. COUDERT] places himself in takes on a peculiar light because when they put through the excise tax bill they tried to kid the public that it was not permanent legislation but that it was legislation without any time limit. They tried to make a lot of double talk in order to fool the people.

Mr. GORE. I thank the distinguished gentleman. I do not think there is any room for argument on this first item of the chart or table. The Chairman of the subcommittee states it in the CONGRESSIONAL RECORD.

Now I would like to come to the second item, additional revenue from ship sales.

Mr. COUDERT. Mr. Chairman, will the gentleman yield further?

Mr. GORE. If the gentleman will just let me read the second item, I will be delighted to yield.

Mr. COUDERT. The gentleman from Tennessee did not answer the original question I asked him. I still want that answered and then I will let him proceed without interruption.

Mr. GORE. I thought I answered the question fully. I know the gentleman has such very acute powers of discernment, and I admit my limitations, I know he can understand anything that is stated logically, and I regret that I have not been able to so state it.

Mr. COUDERT. Will the gentleman please answer the question whether or not the point of departure for comparison as to reduction or nonreduction is the original budget submitted by the Budget Bureau on behalf of the President?

Mr. GORE. If the gentleman is asking me the question as to whether or not the yardstick of whether the Congress reduces or does not reduce the budget, is the estimate contained in the budget submitted by the President, then the answer is "Yes," if that answers the gentleman's question. But what I am trying to point out is that there are real ways to cut it, effective ways, and there are phony ways by which you are merely making a show of economy this year, only to make a deficiency appropriation next year.

Now I would like to go to the second item, additional revenues from ship sales, \$505,670,500. You will find that claimed as a saving in the report of the committee on the bill now under consideration.

Now, what is that? The \$505,000,000 is an estimate of the committee of additional income that may result from additional sales and charter of ships. That represents no reduction in the budget.

It represents no curtailment of expenditure. That is just what it says it is, additional revenue to the Government. How they can claim that as a reduction of the budget, I just do not quite understand. All the committee has done about it is merely to hear a rumor that additional ships might be sold, and they have done nothing to bring it about.

Mr. TABER. Mr. Chairman, if the gentleman will yield further, that came about as a result of a minute examination by the accountants of the committee and it developed that the money was coming in beyond question and that the President had not included it in his statement of receipts. We might just as well take the picture as it is right out in the open.

Mr. GORE. That is what I am trying to do.

Mr. TABER. There is no question about that.

Mr. GORE. I certainly respect and honor the distinguished chairman of the committee on which I have the privilege to serve, and I would like to ask him now just how this represents a reduction in the President's budget; how it cuts down on Government expenditures?

Mr. TABER. It does not cut down Government expenditure but it does reach into a place where a group of spenders might waste money and gather that money into the Treasury, where the people of the United States can have the benefit of it.

Mr. GORE. In the first place, you will not find one word in the bill requiring this to be paid in. The committee has merely found out that additional ships might be sold. They have done nothing to bring about an additional sale, they have done nothing to cause it to be paid into the Treasury, because that is where it would come anyway. The gentleman has just said it does not represent any reduction in expenditure. I thought that was what we were talking about when we started out talking about the President's budget. Now we have got around not to using the word "reduction" but the word "savings," now interpreted to be additional revenue.

Mr. COUDERT. If the gentleman will yield further, does he dare to pretend that when \$500,000,000 of income that was concealed by the Budget Bureau is found by the committee and produced, they do not to that extent reduce the Government's obligation to spend? If you receive \$10 you did not know you were going to get, are you not \$10 better off?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes, and I hope he will yield to me.

Mr. GORE. I will as soon as I respond to the question of the distinguished gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GORE. In reply to the distinguished gentleman from New York, I will say that I am not a very daring man, but it does not require a great deal of courage or insight to realize that additional income to the Government represents no cut in the expenditures of the Government. The gentleman uses the word "produced." To that part of the gentleman's question I answer in the negative, because the committee and the Congress have not produced this additional revenue. It is merely additional sales which may occur without any action whatever on the part of the Congress.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I promised to yield next to my friend from Ohio.

Mr. COUDERT. Just one question? The gentleman yields to me.

Mr. GORE. I am sure that the design here is not to prevent the gentleman from Tennessee from discussing this long list of items on the phony cut chart, though some might gather that impression.

Mr. COUDERT. No, we want the gentleman from Tennessee to tell the whole story, because we are very proud of it.

Mr. GORE. I promised to yield next to my genial friend from Ohio.

Mr. BROWN of Ohio. I rise for the purpose of being helpful to the gentleman from Tennessee.

Mr. GORE. The gentleman, possessing as he does such admirable talents, is always very helpful.

Mr. BROWN of Ohio. I believe we can understand why there is such great confusion in the gentleman's mind and why there is a difference of opinion here on the floor. I believe the gentleman made the statement that he wanted to quote facts and figures. There are about half a dozen of us here who have been through grade school and who have just added up the gentleman's figures. They do not add. If he will add those figures for the House and get the correct sum total, perhaps then it will be a little more informative.

Mr. GORE. If the gentleman will lend me the adding machine he has in his pocket, I will be glad to undertake to ascertain any possible error in addition, small though it be.

Mr. BROWN of Ohio. I have the adding machine in my head, and I hope the gentleman has one there. If the gentleman will take the time to notice—and I was glad to get time for him.

Mr. GORE. I thank the gentleman.

Mr. BROWN of Ohio. If he will add up his figures, he will ascertain that his column of figures just simply does not add. He either has the wrong amount or the wrong figures. Of course, if the gentleman, who has made such a careful study for the benefit of the Democratic minority, cannot get down the right figures or cannot add them up, which ever way it may be, then I can understand why such great confusion exists not only in his own mind but throughout the country. I think perhaps we are just adding to the confusion as we discuss this today.

Mr. GORE. I certainly appreciate the contribution of the distinguished gentleman from Ohio. If there is a slight difference in his addition and mine, I think we could leave it to the distinguished young gentleman from North Carolina, if he would add the figures and tell which of us is correct.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Rhode Island.

Mr. FORAND. My only reason for taking the floor right now is to show that the opposition is really putting up a drive to prevent the gentleman from going through his entire recapitulation, or whatever he has. That fact has been denied on that side of the House. I am going to put them to the test, with the gentleman's permission.

Mr. Chairman, I ask unanimous consent that the time of the gentleman from Tennessee be extended 15 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I reserve the right to object simply to remark to the gentleman from Rhode Island who has made the unanimous consent request that it was not my purpose to delay the distinguished gentleman from Tennessee in making his illuminating remarks, but instead I wanted to bring before the House accurate figures because I do not think we should discuss figures here which on their face are not accurate and correct.

I hope the gentleman will get his arithmetic book out and correct these figures.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. GORE. Mr. Chairman, three of my distinguished colleagues have come to my rescue with reference to whatever errors there may be in addition here, and I will say that none of the three agree, so perhaps we had better get the adding machine.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. CHURCH. My colleague from Illinois [Mr. OWENS] and I have in the gallery a number of Barrington (Ill.) High School students, and I am sure that if they could see these figures before the gentleman from Tennessee, they would see an error by the millions.

Mr. GORE. The error, if any, is but small and inadvertent.

Mr. CHURCH. Mr. Chairman, the high-school children could compute the figures correctly.

Mr. GORE. Oh, I am sure of that, and with the help of the splendid class from the gentleman's district, the record will show the correct figures, I can assure the gentleman. Also I will put the adding machine to them instead of my mental arithmetic.

Now, Mr. Chairman, I would like to proceed to the third phony claim of cutting the President's budget.

Mr. COUDERT. Mr. Chairman, will the gentleman yield before he leaves that item?

Mr. GORE. I wish the gentleman would permit me to proceed.

Mr. COUDERT. I should like the gentleman to yield before he leaves that item which is not complete so far as I am concerned.

Mr. GORE. I yield.

Mr. COUDERT. I merely want to say that the gentleman apparently takes the view that income unexpectedly found and received by the Government is of no interest and makes no difference in budgetary figures.

Mr. GORE. Oh, no.

Mr. COUDERT. Does the gentleman mean by that that if this administration received unexpectedly \$500,000,000 it will probably be wasted, misspent, and lost, like the \$8,000,000,000 that the Maritime Commission had and cannot in any way, shape, or form, account for now?

Mr. GORE. The administration, the executive branch of the Government, cannot spend one dollar which is not made available by Congress. This Congress, which has talked so much about economy, has already appropriated four times as much as was appropriated for all purposes in 1935 and about three times as much as was appropriated for all purposes in 1939; and if this money is spent it will be spent on the direction and authorization of this Congress which has been talking so much about economy, but which now refuses to deliver on the promises.

Mr. COUDERT. Would that \$500,000,000 go into a general revolving fund?

Mr. GORE. I do not so understand, but maybe so.

Mr. COUDERT. Then the Maritime Commission could do what it likes with it and we have provided that it shall be covered into the Treasury so that nobody can touch it and waste it.

Mr. GORE. The gentleman is incorrectly informed there because the budget proposes a limitation of expenditure by the Maritime Commission.

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. GORE. I yield.

Mr. HENDRICKS. I am sure, Mr. Chairman, that no Member would feel offended if the gentleman from Tennessee [Mr. GORE] simply declined to yield until he has finished his statement, at which time he could yield for questions. I am sure the questioning could be done then just as well, and I, therefore, suggest to the gentleman from Tennessee that he decline to yield until he has completed his statement and then he can yield.

Mr. GORE. Does the gentleman from Florida include our distinguished colleague the gentleman from New York [Mr. O'TOOLE], who is on his feet now at the gentleman's side?

Mr. HENDRICKS. I include everyone.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. O'TOOLE. I congratulate the gentleman from Tennessee [Mr. GORE] upon his ability to make the elephant jump.

Mr. GORE. I thank the gentleman for his compliment. And now, Mr. Chairman, I should like to go to the third

claim, downward revision of the budget of the President.

On May 14, 1947, the President submitted to the Congress supplemental estimates of the budget or, in other words, a revision of certain items in the budget. I have his message here which is Public Document No. 252.

ONE POCKET TO ANOTHER

In this revision of budget items, the President made certain revisions upward and certain revisions downward in the Veterans' Administration. As a matter of fact, the revisions upward, to some extent exceed the revisions downward, but if you will notice in the report on the bill now before you, the committee charges to the budget all recommended increases but takes credit to itself for all reductions actually made by the President himself. Now, just what kind of rules of the game that is I do not know, but you will find it in the report. That represents no reduction by the Congress whatever. It represents reductions by the President in his revised estimates, and the President is given no credit for that, but he is charged with all the increases.

Now, I would like to go to the fourth one, Treasury cancellation of CCC notes. That is a sleight-of-hand attempt at bookkeeping. What happened? All the Members know that the Commodity Credit Corporation was authorized to borrow from the Treasury, and the Treasury was authorized to loan to the Commodity Credit Corporation funds to carry out the intent and legal purposes of the Commodity Credit Corporation. That money has been spent. It is already gone. It was spent in previous years, most of it even before this fiscal year. The President recommended in the budget that the Treasury be authorized to cancel the notes of the Commodity Credit Corporation. In order to try to show a saving, somebody had the bright idea that if it was just done in a deficiency bill it would somehow change the situation. It does not at all. It does not matter whether it is done in 1947, 1948, or 1949. It would not affect expenditures one dollar. The money has already been spent. To take that theory, the Republicans would be in the unusual position of trying to spend the money twice, and I know they would not want to do that. To claim that that is a reduction in the budget or even a saving, with either one of their two definitions, would be like my taking this dollar out of my right-hand pocket and putting it in my left-hand pocket and then charging my distinguished colleague from Kentucky, who sits so conveniently nearby, with the depletion of my right-hand pocket.

PAPER SAVING DESCRIBED

Now, one Government agency, the Treasury, holds the note of another agency of the same Government. It is listed in the budget with a double listing. It is listed as an asset of the Treasury and a liability of the Corporation. When we cancel the notes, we take the liability from the Commodity Credit Corporation and cancel the asset of the Treasury. It represents not one dollar in reduction of expenditures. The same thing could

be done, of course, and we have previously done it that way, by merely appropriating funds for the Commodity Credit Corporation with which to pay the Treasury, but, there again, we would be appropriating money out of the Treasury to another agency to make payment back to the Treasury. So that represents not one dollar of expenditure reduction.

Abolishing the Maritime Commission revolving fund: Now, there again they are dealing with funds which are assets and revenues of an agency of government. They merely transfer the receipts from the Maritime Commission into the Treasury. If we regarded the Maritime Commission or the Commodity Credit Corporation as agencies of some foreign government then we could count this as additional revenue or as additional expense, but since they are both agencies of the same Government, it represents no saving whatsoever.

Atomic Energy Commission, part-year appropriation. To show you that the committee did not even intend this to be a reduction I would just like to read from the report of the committee on the bill now before you. Here is what they say:

The committee have determined that funds should be provided for operation in connection with this important project on a part-year basis, additional funds to be provided during the early part of the next session.

In other words, we will make a showing for economy now and then early next session we will come in with a deficiency.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. McCORMACK. In other words, make a reduction now but not an economy.

Mr. GORE. Make a show of reduction.

Mr. McCORMACK. Yes; a show of economy.

PUT APPROPRIATIONS OFF

Mr. GORE. Contract authorization. Instead of appropriations for veterans' hospitals you will find that the budget recommended \$30,300,000 for construction of veterans hospital facilities, the committee cut out the appropriation and wrote into the bill contract authorizations, and here is what the committee says:

The committee has approved the proposal set forth in the budget estimate for the construction of 15 new veterans' hospitals.

Now, you notice, they have approved the plan, they have approved the program but they say:

In eliminating \$30,300,000 requested in the estimate as an additional appropriation to carry forward the hospital program the committee is able to report definitely that the program has not been retarded or delayed in any respect. The committee has been assured by representatives of the Veterans' Administration that sufficient funds in cash is now in hand and available to meet all possible need until—

Again—

at least the latter part of the fiscal year 1948, at which time funds can be provided.

In other words, again let us make a show of economy by postponing the day

of appropriation until next year and we will bring in a deficiency.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. GORE. I want to accept the suggestion of my distinguished colleague from Florida; then I will yield.

Mr. OWENS. We get hungry once in a while.

Mr. GORE. The gentleman has my permission to go eat.

Then, there is substitution of contract authority for money already appropriated. Again the committee says—and I should like to read—you know the committee report really answers most of these questions in better language than I can. We have some clerks who are far more proficient in the use of the English language than I. I wish to read you about this item:

The committee has inserted in the bill a provision rescinding \$50,000,000 with the understanding that funds will be made available if and when required in order that the following program may go forward without delay—

The committee has done what?—has increased contract authorizations.

Obviously there is no reduction here, nor was any intended.

ANOTHER SUBSTITUTION

Mr. Chairman, the next to the last item is again a substitution of contract authorization for direct appropriations. To carry out the provisions of the Hill-Burton Hospital Act the President recommended an appropriation of \$50,000,000. The committee struck that out and substituted contract authorization, not of just \$50,000,000 but of \$150,000,000; so instead of this being any reduction in expenditure, in all probability it will result in a considerable increase of Government expenditures during the year over and above the budget.

I would like to read again what the committee said. You know these committee clerks write very good reports.

The committee is firmly convinced that to insure against any impediment in the development of this program as rapidly as possible some firm provision should be made for Federal participation to whatever extent future developments may require during 1948.

The budget estimated that \$77,700,000 would be needed in fiscal year 1948 to liquidate obligations of prior fiscal years. It now appears that only \$30,000,000 will be necessary. The \$47,700,000, or a sum thereabout, will not be spent, nor can it be obligated. This result has come about entirely without any effort on the part of the Congress.

LAUDS TALENTS FOR MISSING BOAT

The Congress has taken no action whatsoever to effect any reduction here. The Appropriations Committee merely "learned" that certain UNRRA funds set aside for reimbursement of the Maritime Commission for shipment of UNRRA supplies would probably not be fully used. Though the committee took no action to bring this situation about, nor in fact did anything about it, except to make inquiries, the report of the Independent Offices Subcommittee lists

this as "saving." This is another indication of face-saving desperation.

DEFERRAL OF APPROPRIATION FOR VETERANS' PENSIONS

This is a "guesstimate." The committee report says, "No recommendation by the committee contemplates any reduction or change in any existing veterans' benefits." The budget estimated that compensation and pensions to veterans would amount to \$2,221,915,000. The committee merely substituted its guess for the estimate of the budget and thereby claimed a reduction of expenditure to the tune of \$50,000,000. Standards for veterans' pensions and compensation are fixed by law, and a guess that it will be either lower or higher will have no effect on the amount of actual expenditure. It is one thing to reduce appropriations for, say, a reclamation project, but quite another to guess-timate a fixed obligation.

ALLEGED REDUCTIONS IN SPECIFIC MARITIME COMMISSION BUDGET ITEMS

The budget recommended and contemplated a total expenditure of \$280,200,000 by the Maritime Commission. The Independent Offices Committee Report claims to have reduced this amount by \$73,200,000. It will be seen from the report, however, that a goodly part of this reduction is in ship reconversion which in actual practice results in approximately a net, or wash, operation, in that the sales price of the ships, which it is conceded are practically unsalable in present condition, amounts to approximately the cost of reconversion. Thus, we find here again a double listing, and properly so, in the budget—estimated cost of reconversion and estimated receipts from sale of ships, the two canceling each other out in the budget.

The committee action, however, would still have resulted in some reduction of expenditures had it not stricken from the bill the language recommended by the budget which would have limited ship construction by the Maritime Commission to ships for which the Maritime Commission had a commitment of sale. The basic law would require the purchaser to pay 50 percent of costs. The committee struck this restriction from the bill. The result will be that the Maritime Commission will build ships, bearing the entire costs, with or without commitment of sale. Without commitment of sale, the Maritime Commission will be left holding the bag—with ships in it. Only one recourse might be left to the Commission, and that would be charter—at a nominal rate, usually. It will be seen from the committee report, page 28, that \$99,000,000 is authorized for new ship construction and betterment. The budget contemplates that one-half of the cost of ship construction would be borne by purchasers. So, the action of the committee with respect to the Maritime Commission may well result in an over-all increase of Government expenditure rather than a decrease. It is difficult to see how a reduction would result.

In order to complete the fiscal score, it is necessary to point out that the

House has thus far enacted contract authorizations exceeding budget authorization estimates by \$328,425,000. The amounts contained in the two bills are as follows: The Federal Security Labor bill contained \$150,000,000 in budget authorizations, and the Independent Offices Appropriation bill contained \$178,425,000 making a total of \$328,425,000.

I want to offer my congratulations to my astute Republican friends, the leaders of their party, on the admirable skill they have shown in keeping so far away from the goal they set for themselves. Not to have come near it once in so many trials shows the most splendid talents for missing the boat.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed out of order for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GORE. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TABER. Mr. Chairman, it is apparent from the statement of my distinguished friend from Tennessee that the word "savings" is anathema to many on the minority side. The outstanding thing about the word "savings" is that we have not had from the minority side one single amendment offered on the floor to cut a single item that is presented here and not a single thing has been done by them for the purpose of saving money. The only thing we have had is a vigorous attempt on the part of the administration and of many of my friends on the minority side to keep up the appropriations to the level submitted in January by the President and the budget. My friend from Tennessee has criticized some of these items that we have referred to as possible savings. Let me say to you that the cut on refunds of taxes was made after hearings had developed, both in our committee and the Ways and Means Committee, that the amount in all probability would not be required. They had a great big setup in the Treasury Department for refund of excess profits taxes and they admitted before the Ways and Means Committee that that would not be required.

This item of \$505,000,000 for ship sales is an item that our investigators demonstrated beyond question was going to be received by the Treasury of the United States from ship sales. It was not included in the President's estimate as a receipt. Therefore it is proper that we should take credit for pining it down and getting our figures on it so that it will appear in the Treasury of the United States and not be spent by the Maritime Commission in its revolving fund.

There is an item of \$291,000,000, a downward revision of the President's budget figures, that my friend criticizes.

Let me tell you just how that happened. That item resulted from an absolute demonstration by our investigators in the Veterans' Administration and the Maritime Commission that the funds were not going to be needed. It was based upon our efforts and our operations. There is no reason in the world why we should not take credit for it.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I would just like to say in that connection that I think the gentleman from Tennessee will find that the officials of the Bureau of the Budget actually expressed their thanks to the committee investigators for the help they have given them all along the line in this connection.

Mr. TABER. So that we will have the whole thing together, this item of \$50,000,000 that was taken out of the item for veterans' pensions was taken out as a deliberate reduction because, according to the figures submitted to the committee by General Bradley and the Veterans' Administration, that amount would not be needed out of the revised estimate that was submitted, and therefore they were able to take an actual cut and not a phony cut.

So that the gentleman from Tennessee may have a picture of this Commodity Credit Corporation item, I just want to call his attention to this fact.

Mr. GORE. Mr. Chairman, if the gentleman will yield, the gentleman started out to discuss this downward revision by the President and then jumped onto something else.

Mr. TABER. I finished with the downward revision on that particular item.

Mr. GORE. In the Veterans' Administration?

Mr. TABER. Yes; I finished with that. I just discussed the \$50,000,000 cut at that time, because that all came out of the same pool.

Now, as to this Commodity Credit Corporation item, I think that we ought to have the full picture out in the front here. The President submitted a budget estimate of \$830,000,000 for the Commodity Credit Corporation in January. That has been reduced as a result of investigation and the gathering together of information to \$642,000,000. That is a reduction below the President's budget of \$188,000,000. Now, that was submitted as an item that would be paid out of the Treasury in 1948, that \$830,000,000 figure. The operations of putting it in the deficiency bill certainly resulted in whatever might be done about it being taken out of the 1947 budget, insofar as it was taken out.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. TABER. Not until I complete this item.

Mr. GORE. I just want to give the gentleman a figure.

Mr. TABER. I want to give the gentleman the rest of the budget figure before I come to that, and then I will yield to him.

I will say to the gentleman that the budget carried an item of cash that the

Commodity Credit Corporation had, which they expected to have available for turning into the Treasury, of \$429,000,000 at the end of 1948, which they claimed somehow or other was an offset to that other figure.

Now I yield to the gentleman.

Mr. GORE. For the sake of accuracy and in deference to my distinguished friend from Ohio [Mr. Brown], I will say that the exact figure is \$541,832,080.64.

Mr. TABER. I used the gentleman's figure of \$642,000,000. I did not try to be accurate beyond his own table.

Mr. GORE. As is the custom in discussion, I used round figures.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Does the gentleman from New York contend that the Committee on Appropriations actually saved the expenditure of \$600,000,000?

Mr. TABER. I do not claim that there was any saving on that thing as a result of anything the Committee on Appropriations did. I have made no statement heretofore on that subject anywhere, but I am making this statement now so that the whole picture may be out in front and everybody may understand just what it is. I was telling you just what the picture was, and I am not going to tell anything more about it because I do not think anyone can dispute a word I have said.

Mr. EBERHARTER. I just thought the people of the country would like to know whether there is a saving.

Mr. TABER. There is not going to be an expenditure in 1948. That has been the contention and that has been the only contention that ever has been made with reference to this particular item. The only saving is the \$188,000,000 that resulted from a reduction from \$830,000,000 to \$642,000,000.

Mr. GORE. If the gentleman will yield further, may I say to my distinguished chairman that that, too, represents no change in final figures as to expenditures because it is a double listing.

Mr. TABER. It does make a change in figures.

Mr. GORE. It is a net transaction, a wash operation.

Mr. TABER. I do not know about that, but it makes a difference of \$188,000,000 in the amount of expenditures that were estimated in the original budget. I do not say that the Congress made that reduction or that anything they did had anything to do with it, but that is the picture.

Mr. GORE. In the accounting procedure, when you reduce the one, where there is a double listing, you raise the other a corresponding amount.

Mr. TABER. Yes, but when you reduce the amount that is to be charged up net by \$188,000,000 you have that much reduction. That is about all there is to that story.

The committee abolished the \$108,000,000 revolving fund of the Maritime Commission. That is an absolute saving, because it puts the Maritime Commission on a basis where they have to come to the Congress for whatever

money they get. The committee has provided plenty of money for them to go on for next year, but they do not have the revolving fund to play with any more, and the condition has been cleaned up.

On this atomic-bomb business we do not know whether or not that is a cut. It depends on what the Atomic Energy Commission can justify when they come back here, if they do come back here next January. If they do come back, I hope they come back with some figures that some committee or somebody in the Congress can understand and get in shape. They did not come with any kind of figures when they came to us this time.

On the veterans' hospital item \$30,000,000 was taken off that and put into a contract authorization because the money was not going to be spent in 1948, according to the Veterans' Administration, and that was a proper thing to take out. There is no question about that. That is perfectly clear.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. In every case where a contract authorization is substituted for an actual appropriation, where if the appropriation were actually made the expenditure could not be accomplished in the fiscal year following, it represents an actual saving, does it not, as against the Budget estimate of expenditure in that fiscal year?

Mr. TABER. That is correct.

Mr. KEEFE. That is the reason the Committee on Appropriations translated that into a contract authorization, so as not to interfere with the continuity of the program. Is not that true?

Mr. TABER. That is right.

When conditions are such that you cannot build because you cannot get the labor and material, and money is going to be saved as a result of the postponement of those operations because of the economic conditions in our country, and we are not going to have to spend as much money as we would have had to spend the way the thing has been set up here in the January budget, we are entitled to take advantage of that situation and protect the Treasury of the United States.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EBERHARTER. Mr. Chairman, my understanding of it is this: The budget is an estimate. I will agree with the gentleman from New York that the Committee on Appropriations has cut the estimated expenditures, but the gentleman from New York will not say that you have saved the Government any money because you have authorized the expenditure of this money by contracts to be made.

Mr. TABER. Oh, we have saved money. The gentleman does not understand the picture. That is the trouble. Let me tell the gentleman what the picture is. I told it once but I will repeat it so that the gentleman will understand the situation better.

Where money cannot be spent because of economic conditions in the country and the probability is that we will be able

to get by with reduced costs when the economic conditions change, as we know they will, and we can cut down the amount that will be appropriated for next year as a result of that situation, and we cut it down, we save money for that particular year; and in the next year if we have to spend money in all probability we will save money on the whole thing because it will be less. Now, that is the picture, and we might just as well realize it.

The same thing that I have referred to applies to that Hill-Burton bill which was in the Federal Security Agency appropriations. The UNRRA item that we took off of about \$47,000,000 was in the President's budget for 1948 as a proposed expenditure, and the recovery of that fund was an absolute and straight-out reduction in expenditures.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. TABER] may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GORE. Mr. Chairman, I also ask unanimous consent that the time of the gentleman from New York [Mr. TABER] be extended another 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TABER. Mr. Chairman, there have been in connection with the operations of the Committee on Appropriations so far actual reductions in appropriations and recoveries in one way or another as a result of our investigations and our operations, reductions in the President's budget estimate below the January figures which today total \$3,702,326,029 to this date with the figures that are included in this bill.

In addition to that, there are large savings on rescissions which we have effected in connection with the bills and the appropriations for the Army, Navy, and Maritime Commission. I believe this will result in at least \$500,000,000 reduction in the 1948 expenditures.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MONRONEY. Will the gentleman include in his extension of remarks, item by item and line by line, the reductions or savings which he claims?

Mr. TABER. Oh, I have it all prepared and I intend to do so. I am going to put it in the RECORD so that you can shoot at it. You can shoot at it because you do not like to save money.

Mr. MONRONEY. I like genuine savings, not phony ones.

Mr. TABER. Now, the whole picture all the way through has represented a tremendous job on the part of our committee. We have been into this thing very carefully and we have held hearings hour after hour. We have had no cooperation at all from the departments and agencies that have come before us but we have had to pull it out of them just like pulling a tooth without novocain.

They tried in every possible way to keep up all the appropriations and to keep every chairwarmer and every loafer on the Federal pay roll that they could. We have accomplished a great deal, in my opinion, in trying to put the Government of the United States on a business basis. We will not at this time, this year, save the amount of money I would like to save or that many others would like to save, but we are on the trail of information in the various departments and agencies of the Government that will permit us in the years to come to make very large savings and put the Government of the United States on a sound and respectable basis.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROONEY. I would like to ask my distinguished chairman of the Committee on Appropriations, since he just mentioned the words "business basis," what has happened to the legislative budget which was supposed to be completed, over 4 months ago, on the 15th of February? Just where is that legislative budget?

Mr. TABER. The legislative budget is just where it has been for a long time. The House passed it, representing its ideas. The Senate passed it, representing its ideas. We have not reached any agreement, and I do not believe we can; but we have gone ahead with the appropriation bills, and we have made cuts. I know that a very large percentage of the minority are opposed to making any cuts. There are exceptions over there among those patriotic men who believe that the salvation of the United States depends upon savings made in the Government.

Mr. ROONEY. Is it not the fact that for the fiscal year 1947, the minority party, which was then in the majority, cut every single appropriation bill that was sent down by the Bureau of the Budget? Is that not the fact?

Mr. TABER. Oh, they cut some of them but they never cut off enough to put the Government on a sound, honest, business basis. That is what I am trying to get at, and that is what we have got to do before we get through or we are going to be wiped out.

Mr. ROONEY. It would appear from the gentleman's remarks that no one ever made any cuts in the budget estimates until this year. The truth is that the cuts, instead of being new cuts, are, as demonstrated by the gentleman from Tennessee [Mr. GORE], phony cuts.

Mr. TABER. Well, the gentleman knows, if he had listened to what I have said, that we have claimed no phony cuts, but we have made cuts that have hurt, because they have thrown enormous numbers of leeches off of the Federal pay roll. I am sorry that the gentleman feels that throwing those leeches off of the pay roll is a phony cut.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not a fact that any cuts that were made in the budget estimates submitted to the Seventy-ninth Congress were made by efforts of the Republican members on

the subcommittees and on the committee itself?

Mr. TABER. They contributed very largely to those cuts.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENSEN. And is it not a fact, as the gentleman from South Dakota has just said, that those cuts were made by the Republicans in the Seventy-ninth Congress with a sufficient number of good, sound-thinking Democrats who helped us out and sustained our position?

Mr. TABER. That is correct.

Mr. CASE of South Dakota. And that additional cuts which the Republicans approved were resisted.

Mr. TABER. Oh, continuously resisted.

I just want to call attention to another figure before I finish. On the deficiency bills that have been presented to us the record of savings that we have made totals \$282,590,767. The over-all saving that we have made runs to very large figures, not as large as I wish, but nevertheless a first-class start toward putting the Government of the United States on an honest and a businesslike basis.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. BREHM. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-five Members are present, a quorum.

The gentleman from Minnesota is recognized.

Mr. H. CARL ANDERSEN. Mr. Chairman, it comes with mighty poor grace on the part of anybody on the minority side of this House to get up here and talk about economy. I listened to the speech given by the gentleman from Tennessee [Mr. GORE]. I sought unsuccessfully for an opportunity to ask him this one question: Did he ever on this floor this year vote for a single dollar's reduction or for any amendment offered by any Member of the House from the majority side to reduce spending? His answer to that would have been "No" and had to be "No".

I ask also of the gentleman from New York [Mr. ROONEY]: Does he not recall the millions of dollars that he tried to add to the labor and Federal security bill? Does the gentleman recall those items?

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. Certainly.

Mr. ROONEY. The gentleman surprises me. I thought he rose to explain to the House what happened yesterday with regard to the tax reduction bill.

Mr. H. CARL ANDERSEN. Certainly I will be glad to explain that. It is simply because the spenders on the Democratic side have resisted so well the efforts of the Republican Party to show a real saving

that I personally could not conscientiously vote for a reduction in taxes at this time. I have no apology to offer for my voting to sustain the veto. Our Treasury needs the income if we are to cut our national debt.

You people ridicule the efforts of the Republican Party to try to effectuate real economy. We at least are trying to do the job of cutting down the expenses of government. You have not helped us in the least in our efforts to do so.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. No, I regret that I must proceed and cannot yield at this point, Mr. Chairman.

The CHAIRMAN. The gentleman declines to yield.

Mr. H. CARL ANDERSEN. I yielded to the gentleman from New York because I mentioned his name, I might say to the gentleman from Pennsylvania [Mr. GROSS].

I repeat, Mr. Chairman, it comes with mighty poor grace from any member of the minority side to stand up here and talk about economy. Where have we ever seen any efforts upon the part of the Democrats to economize? Had we the cooperation from the minority our Nation could justly expect and had we also cooperation, instead of ceaseless opposition, from the Federal departments and bureaus, we would today have effectuated the six billion cut below the President's budget. Instead of cooperation, we see the Democrats, as illustrated by the gentleman from Tennessee [Mr. GORE], fight at every turn our efforts toward making savings. Now this same gentleman attempts to belittle the nearly \$3,000,000,000 reduction the Republican Party has accomplished. You know as well as I do that the entire Democratic side voted for the motion to recommit which would have added nearly \$200,000,000 to the agricultural appropriation bill simply because you Democrats did not have the intestinal fortitude to say to your farmers that those farmers must contribute toward economy as well as every other segment of our population if we are going to achieve a real balanced economy in this Nation. I had that intestinal fortitude and have also gone against my party, the Republican Party, on H. R. 1, because I feel they are making a mistake in asking now for a tax reduction. However, you people do not seem to care whether the lid goes off or not. My farmers want to do their share, and so do yours. As long as we keep our triple A committees intact, farmers are willing, most of them, to give up the payments.

Yes, Mr. Chairman, it is due to the action on the Democratic side in trying to prevent the Republicans from making worth-while cuts in these budgets that I personally did not feel that I could conscientiously vote to do anything but to try to kill any tax-reduction bill that came before the Congress at this time. If we could have saved the six billions originally aimed at, our Treasury could then have stood the drain called for by H. R. 1.

Mr. GROSS. Mr. Chairman, will the gentleman yield.

Mr. H. CARL ANDERSEN. I yield to the gentleman from Pennsylvania. I regret my inability to yield previously.

Mr. GROSS. Are the people of the gentleman's congressional district in favor of a reduction in taxes?

Mr. H. CARL ANDERSEN. The people of my congressional district are honest, substantial, and common-sense people who do not want to see communism spread throughout the world. I feel those people know that above all—

Mr. GROSS. Answer yes or no.

Mr. H. CARL ANDERSEN. I am answering the gentleman. My people know that above all we must have a strong financial foundation under this Government of ours if we are to survive, and be able to resist any attacks upon our form of government. My people, most of them, I believe, are opposed to cutting taxes under circumstances presently prevailing.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. May I say to the gentleman from Minnesota that the people of his congressional district know that he is conscientious and that he is absolutely fearless in his decisions.

Mr. H. CARL ANDERSEN. I thank the gentleman from New York. Mr. Chairman, in conclusion, I want to repeat that it comes with mighty poor grace for anybody on the Democratic side to get up here and talk about economy in government.

Mr. KEEFE. Mr. Chairman, I move to strike out the last two words, and I ask unanimous consent to speak out of order and for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HENDRICKS. Mr. Chairman, reserving the right to object, and I am not going to object, we have discussed this bill with the majority leader, and we thought we could finish it early; therefore I hope there will be no further requests for additional time or to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, I regret that due to the insistence of the minority side the distinguished gentleman from Tennessee has seen fit to precipitate an argument out of order and little related to the pending resolution in order that he might again, as he has done so frequently in the past, advise the people of America, as he smiles and claps his hands, how pleased he is to speak for the minority and proclaim that the Republican Party has not been able to effect savings to the extent that it thought it could. What a great position for a Member of Congress who has the welfare of the people of this country and his country at heart to take.

I ask the gentleman from Tennessee as he sits here, what is his purpose in getting up here time after time and telling the people that the Republican Party

has not been able to save as much money out of the Federal Treasury as it said it would? What is the purpose of this performance?

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes. What is the gentleman's purpose?

Mr. GORE. My purpose is to give to the people that to which they are entitled, the truth; and, further, my purpose is to prevent the phony claims of economy, which in reality effect not one dollar in reduction of Government expenditures, from going unexposed and thereby serve to mislead the people. I am trying to keep the record straight, and I protest sleight-of-hand book-keeping.

Mr. KEEFE. Does the gentleman believe in economy?

Mr. GORE. I certainly do, but not the wrong kind.

Mr. KEEFE. Has the gentleman ever voted for economy since he has been here?

Mr. GORE. Yes.

Mr. KEEFE. Can he point to a single vote he has ever made in the interest of reducing appropriations?

Mr. GORE. Many, my friend.

Mr. KEEFE. Well, I would like to have the gentleman in his extension of remarks collect them and point them out, just as he asked the gentleman from New York to extend his remarks with particularity.

I came here in the same year that the gentleman from Tennessee did, and I have watched his work on this floor ever since he has been here. I do not have a recollection of a single time that the gentleman from Tennessee has not taken a militant position in favor of the New Deal. It has always been to either get the appropriations requested or get larger and bigger and better appropriations, and I think it comes with poor grace from the gentleman from Tennessee, above all people, to stand here repeatedly on the floor of this House and clap his hands and cheer because the Republicans have not been able to save the amount they expected to save when they adopted a provision in the House projecting a \$6,000,000,000 cut below the President's budget. It seems to me that that is a perfectly absurd position to take, especially when in this Congress, in bill after bill, amendments have been offered, to increase appropriations. I have a recollection of two supply bills to which the gentleman from New York [Mr. ROONEY] offered one amendment after another to increase the amounts provided for in the bill by the Committee on Appropriations. I do not recall the gentleman from Tennessee ever voting any other way but to increase these appropriations. I also know that he also voted to recommit these bills in order that they might get more money to spend for these agencies of Government.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. ROONEY. Is it not true that the very amendments that I offered in the House during the course of consideration

of the two supply bills to which the gentleman just referred were inserted in the Senate, and that that is the way the matter now stands, and that the gentleman, and whoever else is responsible, has failed to call a meeting of the conference on the Labor-Federal Security bill for over a month; is that not a fact?

Mr. KEEFE. That is not a fact, and the gentleman knows it is not a fact, and his present statement is about as inaccurate as most of the statements that he makes on this floor, except perhaps those that are prepared for him to read down here in the well of this House by the departments and sent up here. Now, the fact of the matter is, everybody on this floor knows that the gentleman from New York is a mere mouthpiece for the departments downtown, and that he is the one who distributes and passes out their speeches for the minority Members to get up here and parrot on the floor of the House. He has no idea of economy and never has had, and has resisted and fought every effort upon the part of the majority to try and economize and save any money in the expenses of the Government.

Mr. GORE. Mr. Chairman, if the gentleman will yield further, my distinguished and able friend from Wisconsin who, as he says, took the oath of office the same day I did, has undertaken to reveal my record.

Mr. KEEFE. Well, about the same time, I would say to the gentleman. I do not know whether it was the same day or not; I think it was.

Mr. GORE. Indeed it was. He and I have been very warm friends—

Mr. KEEFE. And I looked for different things from the gentleman at that time, I will say. I thought he had some great independence of spirit and great independence of thought, and I thought he had the courage to stand up here in the well of this House and fight for reductions of expenditures in government, the very thing which I knew in his heart he believed and which he believes in today; that he had the courage to stand up and tell the things which I know he believes in, because I have talked with him a good many times and I have great admiration for him.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Tennessee.

Mr. GORE. At that time, as we were freshmen, I, too, had high hopes for my distinguished colleague, and he has fulfilled, I am happy to say, the highest aspirations and anticipations I had for him in having a great, useful, and honorable career.

Mr. KEEFE. That is fine. I am glad to have the gentleman say that. I think the gentleman has a great and honorable career. It all depends, however, on the point of view. It depends on the point of view; is not that true?

Mr. GORE. I distinctly recall the occasion in 1939, as some of my friends here will recall, when I made my maiden speech in the Congress, which saved several hundred million dollars, and the distinguished gentleman from Wisconsin, my friend, strode across the aisle

in his manly way and clasped my hand and congratulated me on that move.

Mr. KEEFE. Yes; I remember that day well, as do a great many other Members of this Congress. I remember when the distinguished gentleman from Tennessee and the distinguished gentleman from Oklahoma [Mr. MONRONEY] at that time got their heads together and had some independence, and I remember how the gentleman told me later that he was called down to the White House and the riot act was read to him by the President himself for making that speech. Ever since that time I have watched the metamorphosis take place, so that the gentleman has lost the independence that I strode across to congratulate him on having. I have watched the gentleman from Oklahoma, the distinguished friend of the gentleman from Tennessee, go right along hand in hand, until finally we see the picture here now, that these two fellows whom at that time I congratulated on their independence and because they had the courage to stand up and speak their convictions have all the time since followed the New Deal. I regret to see it. I regret to see my friend from Tennessee, who is a brilliant gentleman, and who does know better, stand up here day after day and belittle himself and belittle the party for which he speaks by applauding and laughing gleefully because as he contends we are not able to effect the savings that we thought we might be able to effect.

I say to the gentleman that he is going to have to watch some other things, too, that I see while sitting in the deficiency committee and noting the appropriation estimates that are coming up now for supplementals and deficiencies. Oh, what a magnificent future unfolds, what a great thing it is for these departments to be turned down by the Congress in their regular appropriations and then devise their ways and means through deficiency and supplemental estimates to wipe out all the savings the Congress has put into effect.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Wisconsin be extended for 3 minutes.

Mr. KEEFE. I do not want it from the gentleman from New York.

Mr. ROONEY. I would like to ask the gentleman another question.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that all debate on this paragraph do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

FEDERAL POWER COMMISSION

Salaries and expenses: For expenses necessary for the work of the Commission as authorized by law except for the work authorized by the act of June 28, 1933 (33 U. S. C. 701j), and sections 10 and 12 of the act of December 22, 1944 (Public Law 534) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, including the health service program as authorized by the act of August 8, 1946 (Public Law 658);

payment of claims under part 2 of the Federal Tort Claims Act of August 2, 1946 (Public Law 601); purchase of five and hire of passenger motor vehicles, \$3,390,000; of which amount not to exceed \$20,000,000 shall be available for personal services in the District of Columbia exclusive of not to exceed \$10,000 for special counsel and temporary services as authorized by section 15 of the act of August 2, 1946 (Public Law 600), but at rates not exceeding \$50 per diem for individuals.

Flood-control surveys: For expenses necessary for the work of the Commission as authorized by the act of June 28, 1938 (33 U. S. C. 701j), and sections 10 and 12 of the act of December 22, 1944 (Public Law 534), including contract stenographic reporting services; \$266,500, of which amount not to exceed \$114,900 shall be available for personal services in the District of Columbia.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order and revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I will take advantage of this time to say that the tirade of my distinguished friend the gentleman from Wisconsin [Mr. KEEFE] just a while ago, reminds me of an Old Mother Hubbard which covers everything and touches nothing.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield.

Mr. KEEFE. The gentleman as usual is entirely wrong in his quotation. He should refer to it as a kimono and not an Old Mother Hubbard.

Mr. ROONEY. Well, the gentleman would know more about kimonos and Mother Hubbards. The gentleman would know better than I whether it is an Old Mother Hubbard or a kimono.

In any event, in his crusade to wreck the Labor Department and its functions the gentleman wrote up and brought to the floor of this House a bill—the Labor-Federal Security appropriation bill—which by its terms cut the funds for operation of the Labor Department by about 44 percent. Today he complains that at that time I offered a number of amendments which would restore such important functions in the Labor Department as the Division of Labor Standards which were being outlawed by the gentleman from Wisconsin. I say to the gentleman that, representing a district, as I do, in Brooklyn—and the gentleman has many times in the past called me the gentleman from Brooklyn, while to me he still is the gentleman from Oshkosh—I will not at any time sit idly by and not raise my voice in protest at the crusade of the gentleman from Wisconsin to wipe out important functions in the Labor Department.

The gentleman from Wisconsin did not ask me whether I had voted on occasions for economy measures. I do not know why he reserved that question for the distinguished gentleman from Tennessee [Mr. GORE] but he knows full well that whenever there is contained in an appropriation bill an item which is wrong, which is improper spending, which is an item in which money can sensibly be saved by the Congress, that

he and every member of the House Committee on Appropriations, whether in the majority or in the minority, can depend upon my vote in support of that proper economy, but never for senseless economies such as proposed by the gentleman from Wisconsin.

The gentleman and his majority colleagues cut \$370,500 in the Labor Department-Federal Security Agency appropriation bill from the amount asked for the staff and servicing functions of the Office of the Secretary of Labor. I offered an amendment in protest of this slash, requesting the amount contained in the President's budget. The other body restored \$47,400 of these funds.

The gentleman from Wisconsin and his majority colleagues cut \$718,700 from the same bill for continuing the Division of Labor Standards. They made no provision whatever for the continuance of the Division of Labor Standards. My distinguished colleague, the gentleman from Rhode Island [Mr. FOGARTY], offered an amendment to restore to the bill the money for this purpose. The other body restored \$400,000 of these funds.

The gentleman from Wisconsin and his colleagues on the majority side cut \$598,400 for expenses necessary to enable the Secretary of Labor to exercise the authority vested in him to act as mediator and to appoint Commissioners of Conciliation in labor disputes, and virtually wiped out the entire supervisory and administrative staff of the Conciliation Service. They reduced the ability of the Labor Department to prevent strikes. I offered an amendment in the House opposing such action. The other body restored \$120,000 of these funds and provided for the supervisory and administrative staff positions as I had advocated.

The gentleman and his majority colleagues cut \$528,600 from the Labor Department-Federal Security Agency bill for the apprentice training program. I offered an amendment to restore funds. The other body restored \$184,400 of these moneys. I also offered an amendment to increase the amount allowed by the gentleman from Wisconsin for the Wage and Hour Division and the other body subsequently restored \$99,200 for that agency.

So you see, Mr. Chairman, even the other body disagrees with the gentleman from Wisconsin and he had the boldness a while ago to attack me for exercising my right to offer amendments which the other body subsequently found were justified.

Mr. MILLER of Connecticut. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that debate on this paragraph close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I wish to direct my remarks to the section which has just been read,

namely, the appropriations for the Federal Power Commission.

I was pleased to learn from reading the report that the Committee on Appropriations had refused to give to this agency the sums recommended by the Budget Bureau. I thought of proposing an amendment to the Federal Power Section to reduce their appropriation by \$1 not as a pro forma amendment, but rather as a token amendment to indicate to the Federal Power Commission that there were some members of the House who were dissatisfied with the way they are spending money and who propose to watch their expenditures closely in the years to come.

It is my contention that the Federal Power Commission has engaged in and is engaging in unlawful and uneconomical activities. In an attempt to correct that situation, I introduced last April two bills proposing amendments to parts 1 and 2 of the Federal Power Act. Hearings will open on those amendments before a subcommittee of the House Interstate and Foreign Commerce Committee next Monday.

Briefly, the bills have two objectives.

First, to deny to the Federal Power Commission control over manufacturing establishments producing electricity for their own consumption, and, second, to redefine navigable streams and interstate commerce in such a manner as to restrict the Commission's jurisdiction over utilities actually transmitting or selling power for transmission across State lines.

I previously told the House of the activities of the Federal Power Commission when they sought during this past year to force their jurisdiction upon five small Connecticut manufacturing plants which were generating electricity for their own use only. The Commission's activities, in my opinion, not only are unlawful in that they violate the letter and spirit of the Federal Power Act, but they are uneconomical in that the extension by the Commission of its jurisdiction can be effective only if it has increased personnel and increased facilities. They, in turn, will result in duplication of jurisdiction of State utility commissioners. It was the intent of Congress to set up a Federal Power Commission with limited authority to fill the gap that existed in the regulation and control over interstate transmission of electricity. State utility commissioners of this country are gravely concerned with respect to the encroachment of the Federal Power Commission in the field of local regulation and control.

It is interesting to observe that when this legislation was passed in 1935 the Congress completely rewrote every section of that bill to prevent such duplication. When the substitute language of the bill was finally passed by the House, Senator Wheeler in the other body made this rather interesting comment, speaking of the committee bill which had then passed.

He said:

The revision has also removed every encroachment upon the authority of the State. The revised bill imposes Federal regulation only over those matters which cannot be effectively controlled by the State. The limitation of the Federal Power Commission's

jurisdiction in this regard has been inserted in every section in the bill, to prevent expansion of Federal authority over State matters.

That is all I am asking in the amendments I have introduced, that we definitely restrict the Federal Power Commission to what was admittedly the intent of Congress.

I hope my colleagues will interest themselves in the hearings and in the subject matter that will be developed during these hearings and watch the operations of the Federal Power Commission in the year to come.

I appreciate what the Appropriations Committee has done to at least stop them from their rapid expansion and interfering with the function of the State utility commissioners.

To meet the situation adequately, I introduced the two bills to which I referred earlier in my remarks, namely, H. R. 2972 and H. R. 2973. These bills amend the Federal Power Act in certain particulars. These bills have been referred to the Committee on Interstate and Foreign Commerce for consideration, and later I hope the bills will be favorably reported to the House for further consideration and action. In general terms, these bills restate what it is believed was the true intent of Congress as to the proper limits of the jurisdiction of the Federal Power Commission when the Federal Power Act was originally passed in 1920 and again amended in 1935.

The Federal Power Commission is a creation of the Congress of the United States. Its powers were delegated to it by the Congress, and such powers may be enlarged, restricted, or taken away as the Congress deems wise to do in the public interest.

The Federal Power Act was last amended in 1935. Twelve years have since passed, which is too long for most congressional acts to go unreviewed. I feel sure that during these years this act has at times been administered in a manner never intended and by methods not discernible from the annual reports of the Federal Power Commission to Congress.

At Windsor Locks, Conn., there are located five small manufacturing companies along the Connecticut River. Each purchases water from the Windsor Locks Canal Co. Two of these companies are manufacturers of paper; one is a manufacturer of sweaters, underwear, and yarns; one is a manufacturer of machine chucks; and one is a manufacturer of casters and handling equipment. All of these companies use the water which they lease or purchase from the canal company for manufacturing processes and purposes. In addition, these companies use a portion of the water purchased to generate a small amount of electric energy for lighting or power purposes in their plants. The amount of electricity is small and none of it is sold by any of these companies to anyone else. In fact, the total generating capacity of all of these companies from the water purchased is approximately 1,100 horsepower. Each of these companies is a small manufacturing concern of the family-ownership type, some of whom have been in business at their present

location for more than 100 years. However, I was advised that in the summer of 1946 the Federal Power Commission notified these companies that they were operating unlawfully and insisted that they take out a license under the Federal Power Act. This, despite the fact that the provisions of a license under the Federal Power Act are not appropriate for one other than a public utility. After correspondence and conferences with the Commission's staff, I understand the Commission was willing, in March of 1947, to at least postpone its assertion of jurisdiction over these companies, although in a letter from the Chairman of the Commission, dated March 12, 1947, addressed to me, the Commission still asserts that it has not only the right but the obligation to require any company located in or along a navigable stream, that is using the water of the stream to generate electric energy for its own purposes, to take out a license under the Federal Power Act.

The Commission also claimed jurisdiction over the Windsor Locks Canal Co., which owns and operates the dam at Windsor Locks, Conn. The authority to erect this dam can be traced to May 1824, when the predecessor of the Windsor Locks Canal Co., the Connecticut River Co., received a charter from the General Assembly of the State of Connecticut which authorized it to lock the falls at Enfield, Conn., on the Connecticut River, and to construct a canal on either bank of the river near the falls, around 1830. In 1845, when a railroad line was constructed from Hartford to Springfield, Mass., the business of the Connecticut River Co. was seriously affected and about this time the company began to lease land and water to various industries which were then being established in Windsor Locks. The business of the company from that time to date has consisted principally of the sale of water to these industries. However, despite the fact that the Windsor Locks Canal Co. has been operating under valid State authority for more than a century, the Federal Power Commission has claimed that it is doing so unlawfully because it is not doing so pursuant to a license from the Commission. It is the position of the Commission that despite the existence of complete State authority, nevertheless, a Federal license is also required.

Hence it is appropriate at this time to examine such power and authority as were originally delegated to the Commission; the interpretation the Commission has placed upon its power and authority; the additional power and prerogatives the Commission has assumed so to determine if the Commission is performing properly the functions delegated to it.

The operations of the Federal Power Commission in recent years make it apparent that Congress must specifically define the area in which the Federal Power Commission may operate. These bills are designed to so define the limits of jurisdiction of the Federal Power Commission and thereby let the Congress, the Commission, and the people know exactly where they stand. The Federal Power Commission will never,

in my opinion, impose limitations on itself; rather it reaches out in an attempt to grab power for itself by asserting jurisdiction over companies and activities never intended by Congress. It interprets, or rather misinterprets, the laws of Congress in such a way as to give it the broadest possible field of jurisdiction without restraint. As a result, its activities are not only unlawful in that they violate the letter and spirit of the Federal Power Act, but they are uneconomical in that the extension by the Commission of its jurisdiction can be effected only if it has increased personnel and increased facilities and results in duplication of jurisdiction of State utility commissions. Therefore, I should say at the outset that these bills, when passed, will result in economies that will be of advantage to all taxpayers. These bills were prepared and introduced as a result of a conviction on my part that the Federal Power Act is being administered in an uneconomical and expensive manner, and in a way which Congress never intended. As I have stated, the Federal Power Commission has sought to engage in activities never intended to fall within its domain, which activities do not promote the public interest through the development and use of hydroelectric power, but serve only to waste the taxpayers' money.

The Federal Power Commission was created in 1920 at the time of the passage of the Federal Water Power Act. It has, therefore, been in existence for a period of 27 years. The Commission has grown from a small advisory organization to a large administrative bureaucratic commission which is constantly and energetically seeking to enlarge its personnel and its powers. The Commission in its budget requests this year asked for a 47 percent increase in its appropriation over the expenditures for the last year for salaries and administrative expenses.

While the name Federal Power Commission would indicate to those who are unfamiliar with its ramifications that it confines itself to the regulation and control of interstate power operations, a worthy and desirable objective so stated by the Congress, I assure you that this is not the case. The Commission has gone far afield of the interstate power business. While I feel certain that such was not the intent of Congress, I assert that if others do not share my belief, then we should express the right intent by these amendments.

My purpose is to point out that it was the intention of Congress to set up the Federal Power Commission with limited authority to fill a gap that existed in the regulation and control of interstate transmission of electricity and gas, and that they have gone far beyond that function. The State utility commissioners of the various States are gravely cornered with respect to the encroachments of the Federal Power Commission in the field of local regulation and control. Now, the most recent extension of the long and grasping arm of Federal Power Commission control is in the field of industrial manufacturing. It is hard to conceive that the Congress ever intended that the Federal Power

Commission would extend its control over small manufacturers located along the rivers and streams of the Nation simply because they use the water from such streams for manufacturing purposes. However, as I will more fully illustrate later, so insatiable is the appetite of the Commission that it now proposes to regulate such industries in part.

The Federal Power Act of 1920 is now part I of the Federal Power Act. Parts II and III of the act were added when it was amended August 26, 1935, by the Public Utility Holding Company Act, Senate bill 2796, title I of which provided for the control and limitation of public utility holding companies operating in interstate commerce, and title II of which provided for the regulation of transmission and sale of electric energy in interstate commerce, for the amendment of the Federal Power Act, and for other purposes.

It is obvious that when in 1935 Congress was considering Senate bill 2796 and its predecessor Senate bill 1725 it was considering a bill dealing with public utilities and public utilities engaged in the sale or transmission in interstate commerce of electric energy. It was not considering a bill dealing with manufacturing companies who might generate hydroelectric energy for their own use. Nor was it considering a bill that concerned those public utilities operating within a State which might generate hydroelectric energy for consumption within the State of generation.

However, the Federal Power Commission has taken a different view of its authority. In a letter dated March 12, 1947, addressed to me, the Chairman of the Commission in answer to my question concerning the policy of the Commission with respect to the licensing of industrial companies wrote as follows:

You ask what the policy of the Commission will be in the future on companies similarly situated, insofar as obtaining a Federal license is concerned. The policy pursued by the Commission with respect to the Windsor Locks Industrial developments is exactly the same policy which it has pursued with respect to other industrial concerns similarly situated, considering each situation upon its merits. The Congress by section 4 (g) of the Federal Power Act has imposed the statutory obligation upon the Federal Power Commission to make investigations of the occupancy of public lands, reservations, or streams for the purpose of developing electric power. No distinction is made between manufacturing plants and public utilities in this connection. In compliance with this obligation, the Commission in 1937 began investigations taking first those concerns developing over 500 horsepower as a general and practical guide in proceeding in the investigations.

The field of Federal Power Commission jurisdiction has, as a result of a decision of the United States Supreme Court in 1940, holding nearly any stream to be navigable, been tremendously expanded. Remember that all that it now takes to subject some small manufacturer who is located along a stream to an expensive inquiry is the assertion by the Commission that the stream is or may be navigable. To back this assertion up, the Commission need show only that over 100 years ago several Indians went down the stream in a canoe or that logs were

floated down. The investigation is started and the manufacturer either accepts the claim that the stream is navigable or he is involved in an expensive lawsuit. If he accedes, then the Commission insists that he take out a license.

Well, what does this mean? It means just this. It means that this person who has been operating his business lawfully for some years must file an elaborate application form with the Federal Power Commission, which incidentally is not adapted to a manufacturer, since to allocate accounting-wise for receipts from the use of the water power is an impossible task. Representatives of the Commission then will visit his plant, make an audit of his accounts, examine and analyze his books, cost records, engineering reports and other records pertaining to his application for a license. If a license is granted, it is granted subject only to conditions established by the Commission. For example, some of these conditions require that his accounts be regulated by the Commission, principally through a requirement that reserves be maintained, according to the rules of the Commission, for depreciation, repairs, and so forth, and for the amortization of the cost of his investment. An annual charge is levied, and finally, at the end of the license period, the Federal Government can appropriate his project, whether it is located in the State of Connecticut or any other State, not by paying the fair value thereof but by paying what the Commission chooses to call his net investment in the project, which is the original cost thereof less certain deductions. If this net investment is lower than the fair value of the project at the time of its acquisition by the Federal Government, this is just too bad for the licensee. Of course, all during the license period the licensee must battle with the usual reports and red tape which surround the administration of this particular Federal agency.

My proposed amendments to the Federal Power Act will not serve to oust the Federal Government from water power sites, which are properly a subject of Federal control or Federal ownership. I cannot state what the Federal Power Commission has done, or may do, in States other than Connecticut. What they have done, or may do, in Connecticut I can assure you will serve no general public interest. My proposed amendments further will not serve to prevent the development of any water power sites that should be developed under Federal domain.

This is no small problem in my State. Take, for example, the Thames River in Connecticut. The water-shed of this River covers part of the south central part of Massachusetts and most of the eastern part of Connecticut, draining into Long Island Sound. The river itself is located wholly within the State of Connecticut. Irrigation is not a factor. Navigation is possible approximately 20 miles up to Norwich, Conn., but has never been a factor above that city. There are no dams from Long Island Sound to Norwich. It being a tidal estuary, there is no water-power development upon the main stream. The tributaries of the Thames, however, have been highly de-

veloped for industrial water power. This is principally by small local manufacturing companies. There are a few hydroelectric plants owned by power companies but they are all relatively small, the largest being three thousand horsepower. Prior to the introduction of transmission of electricity, power developed by the various manufacturers along the tributaries was used mechanically in textile mills and other plants in the manufacture of a variety of commodities. Auxiliary steam power was installed in many of the mills. Now most of the mills, instead of generating mechanical power, generate for their own use electric energy, which, however, must be largely supplemented by public utility companies operating in the vicinity. Certainly Congress did not intend, when it adopted in 1920 the definition of navigable waters, that such definition should be so extended that the Federal Power Commission could use this definition as a springboard for its assertion of jurisdiction over numerous small manufacturing companies located on small streams which never had any commercial navigation value.

I would like to direct your attention to House bill 2973, a section-by-section analysis of which is as follows:

SECTION 1

Section 2 of title I of the Federal Power Act, approved June 10, 1920, and last amended August 26, 1935, contains the definitions of the act. The one definition which this bill seeks to amend is the definition of navigable waters contained in subsection (8) of section 3 of the act. The definition of navigable waters has been amended in the following particulars:

(a) The present definition includes in navigable waters, waters which either in their natural or improved condition and notwithstanding interruption in the navigable parts by falls, shallows, or rapids are used or are suitable for use for the transportation of persons or property in interstate commerce. The proposed amendment limits the present definition by: First, requiring that the navigability of a stream be determined at the time of the inquiry as to its navigability and not at any indefinite period in the future; second, requiring that the waters in question be generally and commonly used or have a reasonable probability of being so used rather than being waters which are used or could be made suitable for use; third, requiring that their use in interstate commerce be of a substantial character; fourth, requiring that the use be of waters in their natural condition or in an improved condition which improvement is then proposed rather than in some improved condition which in the future might possibly be proposed or made; fifth, requiring that any proposed improvements to make waters navigable cost an amount commensurate with the commercial benefits to be derived from the proposed improvements rather than having no economic yardstick for the cost of improvements; sixth, eliminating from navigable waters those parts of streams which someone has recommended to Congress should be improved but which

Congress has not in fact authorized for improvement; seventh, requiring that congressional authorization for improvement of a stream be an authorization to improve the stream for the purpose of furthering navigation in interstate commerce on the stream before such stream can be considered navigable, rather than an authorized improvement which has no relation to navigation.

In my opinion, this amendment provides a more reasonable definition of "navigable waters" than that contained in the present act and one which will be adequate to prevent private encroachment on the actual needs of commercial navigation on the waters subject to the jurisdiction of Congress and yet at the same time one which will prevent the extension of Federal regulation over persons developing electric power for any purpose along any stream when such regulation has no substantial relation to the regulation of navigation and interstate commerce. I believe that the regulation of the development of hydroelectric power is properly a matter subject to State jurisdiction, except in those cases where such development directly interferes with existing interstate commerce of a substantial character or probable interstate commerce which could be developed on the waters in question through a then-proposed expenditure of funds which would be commensurate with the commercial benefits to be derived therefrom.

SECTION 2

This section amends subsection (a) of section 23 of the act in three particulars. Subsection (a) at present deals with the protection of existing rights, provides for permissive application for licenses under the act, and deals with valuations of constructed objects. The proposed amendments to this subsection are concerned only with the provisions concerning the protection of existing rights.

The present subsection provides that the provisions of part I of the act shall not be construed as affecting any permit or valid existing right-of-way heretofore granted or as confirming or otherwise affecting any claim or authority heretofore given pursuant to law. The phrase heretofore granted is vague and is stricken out. Supposedly it means granted prior to June 10, 1920, the date of the approval of the Federal Water Power Act, and so this subsection is amended to state specifically that the provisions of part I shall not affect any permit, valid existing right-of-way, claim or authority granted prior to June 10, 1920. The present subsection protects any such rights given pursuant to law. Here again the term is not only vague but ambiguous and so the act is specifically amended to make it clear that any rights granted prior to June 10, 1920, pursuant to applicable State or Federal law will not be affected. Lastly, this subsection is amended to make it clear that if pursuant to any State or Federal law granted prior to June 10, 1920, a person has constructed any dam, water conduit, reservoir, powerhouse or other works incidental thereto, the provisions of part I of the act are not applicable thereto.

SECTION 3

This section amends subsection (b) of section 23 of the act in seven particulars. Subsection (b) of the act among other things makes it unlawful for the purpose of developing electric power to construct, operate, or maintain any dam, water conduit, reservoir, powerhouse, or other works incidental thereto—hereinafter called project—across, along, or in any navigable waters without a license from the Federal Power Commission or without a permit or valid existing right-of-way granted prior to June 10, 1920. This prohibition is being asserted by the Commission against any manufacturer or any person whether or not he sold any power so developed and whether or not he sold it in interstate commerce. The first proposed amendment is to insert in the third line after the words "for the purpose of developing electric power" the words "for the sale thereof at wholesale in interstate commerce." This amendment would eliminate the necessity of a manufacturer as contrasted to a public utility from becoming licensed by the Federal Power Commission. It would also eliminate the necessity of a public utility engaged only in the sale of power in intrastate commerce from becoming licensed by the Federal Power Commission.

However, this amendment would not allow either such manufacturer or intrastate public utility to construct any project in navigable waters wholly irrespective of Federal law. The last proviso of the proposed amendment requires such a person to conform to the lawful requirements of the Federal Power Commission with respect to navigation or the effect of the project on navigation.

Since section 1 of this bill defines "navigable waters," reference to this fact is made in this section 3 by striking out in the sixth line after the words "navigable waters" the words "of the United States" and inserting "as herein defined." This amendment is purely formal.

The present subsection does not prohibit the construction, operation, or maintenance of any project in accordance with the terms of a permit or valid existing right-of-way granted prior to June 10, 1920. Therefore after the date in the eleventh line there has been inserted the phrase "pursuant to applicable State or Federal laws," to make it clear that a State or Federal permit or right-of-way protects one from the necessity of becoming licensed under the Federal Power Act. This is in conformity with a similar amendment to subsection (a) of section 23 contained in section 2.

A proviso is inserted after the first sentence of the present subsection (b) to make it clear that if any person constructed prior to June 10, 1920, pursuant to Federal or State law any subject, such person can without license of the Federal Power Commission continue to repair, reconstruct, operate, or maintain such project.

The present subsection (b) also requires anyone intending to construct a project on a nonnavigable tributary of a navigable stream to file a declaration with the Commission. If the Commission finds that the interests of interstate

commerce would be affected by the project it is made unlawful to proceed without having secured a license from the Commission. The proposed amendment changes this to require a declaration from only those who intend to construct a project for the purpose of developing electric power for sale at wholesale in interstate commerce. The manufacturer or intrastate utility would not have to file a declaration but, as pointed out above, would still have to comply with any rules of the Commission with respect to the effect of such project on navigation.

The proposed amendment to this subsection also requires that before the Commission may require a license of such a project on a nonnavigable tributary of a navigable stream it must find not that the interests of interstate or foreign commerce would be affected by such project, but that the navigable capacity of the navigable stream would be adversely affected by such project on the nonnavigable tributary.

Lastly, the proposed amendment to this subsection provides that no license is required for the repair, reconstruction, operation, or continued maintenance of a project on a nonnavigable tributary of a navigable stream if such project was constructed under a Federal or State permit, right-of-way, or authority granted prior to August 26, 1935, the date of the last amendment to the Federal Power Act. Prior to August 26, 1935, anyone intending to undertake a project on a nonnavigable tributary could in his discretion file with the Commission a declaration of such intention. The filing of the declaration of intention was made mandatory by the amendment of August 26, 1935. Hence, it seems proper that anyone who prior to that date lawfully constructed a project can continue to repair, reconstruct, operate, and maintain such project without license from the Commission.

I wish to now direct your attention to H. R. 2972, a bill to amend section 201 of the Federal Power Act. Section 201 is the first section of part II of the Federal Power Act, which is the part concerned with the regulation of electric utility companies engaged in interstate commerce. Parts II and III of the Federal Power Act were added by the Public Utility Act of 1935. Section 201 of part II of the Federal Power Act contains the declaration of policy, states the necessity for Federal regulation, defines the scope of regulation to be exercised by the Commission, and defines certain terms which are used in determining the jurisdiction of the Federal Power Commission.

The Federal Power Commission has been no less modest in asserting that the provisions of part II give it jurisdiction over public utilities than it has in its claims of jurisdiction based upon the provisions of part I hitherto discussed. In fact, although it is believed that administratively the Commission is so departmentalized that one group of bureaucrats administer part I and another group administer part II, there is little or no distinction in the capacity of either group; both are zealous to the point of being unlawful in their assertions of

jurisdiction. It should be remembered that parts II and III of the act were added because of the decision of the United States Supreme Court in 1927 in the *Attleboro* case—Two Hundred and Seventy-third United States Code, page 83—which held that sales of electric energy at wholesale in interstate commerce between public utilities were not subject to regulation by the States and in the absence of Federal regulation such sales went unregulated. Part II of the Federal Power Act was therefore passed so that Federal jurisdiction could be asserted over such interstate public utilities. The Federal Power Commission has used part II to assert its jurisdiction over intrastate public utilities. Hence, the need for the proposed bill. There are, for example, two public utilities in Connecticut, all of the properties of which are wholly located within the State and all their business in electric energy is done wholly within the State. These companies have no ownership in any interstate transmission lines, nor do they transmit electric energy across the State line of Connecticut. However, because one of these companies generated electric energy some of which it sold to another company which furnished some of this energy to companies in Massachusetts, and because the other of these companies purchased electric energy, a minute part of which at times came from without Connecticut, the Federal Power Commission has asserted jurisdiction over all the accounts of these companies. Yet both of these companies in all their activities were entirely regulated by the Public Utilities Commission of Connecticut.

If the Federal Power Commission has jurisdiction over the accounts of a company, it is no laughing matter. It means that the company is subject to two masters, the Federal Power Commission and the utilities commission of the State in which the company operates. This may mean two sets of books, two contrary orders on any subject. Such overlapping of regulation is unnecessarily expensive and serves no purpose. In fact, it leads only to hopeless confusion as it did in the *Jersey Central* Case (1943, 319 U. S. 61) where the New Jersey Public Service Commission said the *Jersey Central Power & Light Co.* could issue and sell certain securities and the Federal Power Commission ordered it not to sell.

Certainly such extravagant claims should be curbed. I propose to do this by means of H. R. 2972.

The fundamental purpose of the bill is to redefine the jurisdiction of the Federal Power Commission under the Federal Power Act as passed in 1935.

Notwithstanding that this was the intention on the part of Congress, as is clearly shown by the debates and committee reports, the language in the present act is such that the Federal Power Commission has construed the Federal Power Act so as to give the Commission a great deal of jurisdiction overlapping that of the State commission and to give jurisdiction over many companies operating wholly in one State and doing an essentially local business which is subject to complete State commission regulation.

After more than 10 years of operation under the Federal Power Act it has become clear that the Federal Power Commission intends to attempt to establish jurisdiction and control over companies that Congress never intended should be subject to the jurisdiction of the Federal Power Commission. It is my position that this needless duplication results in waste of the taxpayers' money and increased cost of the service rendered to consumers.

It is the purpose of my proposed amendments contained in H. R. 2972 to confine Federal Power Commission jurisdiction to that originally intended by Congress, namely, that every substantial sale of electric energy shall be subject to regulation by some public body so that in any rate proceeding a public utility cannot assert a cost of electric energy which is not subject to being passed upon by some public authority.

In order to accomplish this purpose, it is thought necessary to take care of two general situations, namely, first the transmission and sale by a local company of energy it purchases from an interstate company subject to Federal Power Commission jurisdiction; and second, the sale by a purely local company to an interstate company which may result incidentally in some small part of the locally generated energy being transmitted outside the State.

Getting down to the particular amendments I offer to section 201 of the Federal Power Act, the purpose of my proposed amendments to subsection (b) of section 201 is to make it clear that a purely local electric company operating within a single State can purchase energy from an interstate company without its becoming subject to Federal Power Commission regulation under the Federal Power Act. The Federal Power Commission would, of course, continue to have jurisdiction over the selling company and over the sale by it to the local electric company, thus the principle of the *Attleboro* case is satisfied and nothing goes unregulated. My proposed amendment makes it clear that the Federal Power Commission would have no jurisdiction over such local distributing companies and as I have said, I believe this is in accordance with the original intention of Congress in passing the Federal Power Act. In adopting the amendment we would merely be making clear the original intention of Congress and thus remove the overlapping jurisdiction of the Federal Power Commission. In addition we would make it possible for local electric companies to interconnect their facilities with interstate companies thus enabling them to render better service at cheaper rates to the ultimate consumers. Local companies are reluctant to make these interconnections under existing interpretations of the Federal Power Act because of the onerous burdens of duplication of regulation. There is nothing in my amendments which would in any way exempt interstate utilities from Federal regulation.

The purpose of my proposed amendment to subsection (c) of section 201 is to avoid a claim of jurisdiction by the Federal Power Commission over a company operating in one State which sells energy to another company operating in

the same State even though a small amount of the energy so purchased may be transmitted by the second company across a State line. The second company, since its operations extend across State lines, would, of course, continue subject to the jurisdiction of the Federal Power Commission. Let us assume the case where company A has a considerable amount of distribution in State X where it purchased energy from company B, which is a purely local company, and the purpose of the purchase is to supply such energy to customers of company A in State X. However, some small part of the energy so purchased may be transmitted across the State line into State Y. It is my position that company B, the selling company which is a purely local operating company, should not be subject to Federal regulation unless the principal purpose of the sale was to enable the purchasing company to transmit the energy so purchased across State lines. Company A is and remains subject to Federal regulation.

I propose a second amendment to subsection (c) of section 201 which would permit a local distributing company to make an interconnection for emergency service or for the exchange of energy where settlement for any variation in delivery would be made on the basis of cost of production or of purchase of such energy. This amendment also provides that a stop-over of electric energy between connecting lines or systems shall not be held to be transmission of electric energy in interstate commerce. My proposed amendment to section 201 (d) merely complements and further clarifies the provisions of section 201 (c).

I also propose amending section 201 (e) to provide that a company which ceases to be a public utility as defined in the act by reason either of cessation of ownership or operation of facilities subject to the jurisdiction of the Federal Power Commission or by any amendment to the act shall not thereafter be subject to the Federal Power Act or any rule or regulation or order of the Commission by reason of its having formerly been a public utility subject to the act. I think it only fair and a matter of common sense that if a company ceases to own or operate facilities subject to the jurisdiction of the Federal Power Commission it should not thereafter be subject to any rule, regulation or order of the Commission.

Section 201 (f) of the act now provides that no provision of the Federal Power Act shall apply to the United States, a State or any agency or authority thereof. In order to permit and encourage local electric companies operating in a single State to make interconnections and exchange energy with government-owned hydroelectric systems, I have proposed an amendment to section 202 (f). Under my proposed amendment any person engaged in the transmission or sale of electric energy through facilities located wholly within one State and not otherwise subject to the jurisdiction of the Federal Power Commission may make a temporary or permanent connection within the State in which its operations are conducted with facilities owned and operated by a governmental agency and such person shall not become subject to

the provision of the act by reason of such connection even though the electric energy received or delivered by such person through such connections is to be or has been delivered across a State line by such governmental agency. If such interconnections were made I am told that various governmental agencies throughout the country would be able to make interconnections with local electric companies which would permit them to sell to the electric companies excess power during periods of high water and to purchase from the privately owned utility sufficient energy to meet their requirements during emergency periods and periods of low water. The purpose of my amendment is to encourage such interconnections which would result in reducing the cost of service to the ultimate consumers. As I have already mentioned, there is a reluctance on the part of local companies at the present time to make these interconnections because of the onerous burdens of duplication of regulation.

In conclusion, let me say that in the introduction of these two bills I have sought to perpetuate a principle to which I have always adhered and one which I believe is the policy of Congress as indicated by its many pronouncements, which policy is that the interests and rights of the States in determining the developments of the watersheds and water resources within their borders and likewise the interests and rights of the States in water utilization and control shall be recognized and reaffirmed and that any attempts on the part of a Federal agency such as the Federal Power Commission in derogation of such interests and rights of States should be curbed.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. MILLER] has expired.

The Clerk read as follows:

FEDERAL TRADE COMMISSION

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia; health service program as authorized by act of August 8, 1946 (Public Law 658); payment of claims determined and settled pursuant to part 2 of the Federal Tort Claims Act (Act of August 2, 1946, Public Law 601); contract stenographic reporting services; newspapers not to exceed \$500; not to exceed \$8,000 for deposit in the general fund of the Treasury for cost of penalty mail as required by section 2 of the act of June 28, 1944; and purchase of the one passenger motor vehicle; \$2,800,120, of which not less than \$228,695 shall be available for the enforcement of the Wool Products Labeling Act: *Provided*, That no part of the funds appropriated herein for the Federal Trade Commission shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation.

Mr. FOLGER. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: On page 17, line 17, after the word "vehicle", strike "\$2,800,120" and insert "\$2,975,120."

Mr. FOLGER. Mr. Chairman, since I have been here I have found myself devoted most particularly to agricultural concerns and needs, primarily because I felt that that is one of the great bulwarks

of our American economy, and that care for it must engage the attention and thought of every Member of the House.

In connection with that and attached to it has been the appropriation for the Interior Department, which deals, in large measure, with a kindred subject of reclamation and drainage and forestry service throughout the United States. I have not meant, however, to be disregarding of the business interests of the Nation. The Federal Trade Commission is, in my opinion, one of the splendid agencies of Government which serves the legitimate and laudable interests of the manufacturers and commercial people of our country. In that is an activity which is substantially eliminated by the action of the committee in failing to appropriate for that purpose. The report of the committee on the subject is as follows:

The action of the committee results in the denial of all proposed increases including all funds for work in connection with the proposed financial reports program which was to have been carried on in cooperation with the Securities and Exchange Commission.

I am informed, Mr. Chairman, that this is one of the very important activities of the Federal Trade Commission; that in collaboration with the Securities and Exchange Commission they have been able to perform a very satisfactory service to all the manufacturers and commercial interests of the United States, and that this service is looked to, and the Federal Trade Commission is expected to have information, that this research would provide. It is with quite a bit of regret that I see this provision eliminated entirely from the bill.

I am informed that this elimination will result in the discontinuance of employment of between 45 and 67 people, that really \$225,000 will do the work that I conceive to be absolutely in the best interests of all the manufacturers and commercial interests of the United States. I have, however, in offering my amendment, cut \$50,000 from that amount, making it \$175,000 added to the appropriation. I feel that it is a really important amendment and that the committee probably with further consideration might agree to it. It is of much importance, and I ask the special attention of the Committee on Appropriations, and of the membership of the House to the subject.

Mr. WIGGLESWORTH. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, the committee considered the item in question very carefully and came to the conclusion that it was not an item of such importance that it was imperative to embark upon it at this time. It is an activity that was not carried on during the war years. It would seem that it could well wait a year or two more under existing conditions, if we are to embark upon it again.

The Commission received for the fiscal year 1946 about \$2,100,000. For the current year it had about \$2,800,000. The recommendation of your committee gives it exactly the same amount that it had for the current fiscal year.

I may point out in this connection that the record indicates that 50 trial attorneys in the Federal Trade Commission had only 2,008 hours of hearings, or about 40 hours apiece in a year. It indicates that 137 on the investigating staff filed 801 final reports, or about 6 apiece in a year; that 13 trial examiners had 1,637 hours of hearings, or about 136 hours apiece in a year; and that the Division of Stipulations with 27 secured some 96 stipulations, or about 3½ each in a year.

These figures would seem to suggest that the Federal Trade Commission instead of being provided with too little money could on the contrary get along very well with less money.

I hope the amendment suggested will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. FOLGER].

The amendment was rejected.

The Clerk read as follows:

NATIONAL ARCHIVES

Salaries and expenses: For necessary expenses of the Archivist and the National Archives; including personal services in the District of Columbia; scientific, technical, first-aid, protective, and other apparatus and materials for the arrangement, titling, scoring, repair, processing, editing, duplication, reproduction, and authentication of photographic and other records (including motion-picture and other films and sound recordings) in the custody of the Archivist; contract stenographic reporting services; not to exceed \$100 for payment in advance when authorized by the Archivist for library membership in societies whose publications are available to members only or to members at a price lower than to the general public; not to exceed \$650 for deposit in the general fund of the Treasury for cost of penalty mail as required by the act of June 28, 1944; and travel expenses, \$1,236,335, of which \$1,000 is for claims determined and settled pursuant to the Federal Tort Claims Act: *Provided*, That no part of this appropriation shall be used to pay the salary of any employee of grade 4 or above in the professional service or of grade 11 or above in the clerical, administrative, and fiscal service who was originally appointed in the National Archives to a war-service appointment.

Mr. PHILLIPS of California. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PHILLIPS of California:

Page 37, line 5, strike out "4" and insert "5."

Page 37, line 9, strike out the period and insert a comma and the following words: "except a presently employed veteran of either World War or a member of the active or inactive reserves AUS."

Mr. PHILLIPS of California. Mr. Chairman, the amendment comes with the consent and approval of the committee to make a correction in the wording on page 37 in order that veterans, if any, may be protected, the intent of the original amendment having been to provide and protect veterans' rights in the agency.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from California [Mr. PHILLIPS].

The committee amendment was agreed to.

Mr. REES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to call attention to the apparent necessity of writing legislation in appropriations bills in order to deal with the question of employment in Federal Government. I have no objection to the amendment just offered, but I direct your attention to the fact that somehow, somehow there should be a method for dealing with reductions in force and bringing about economy in Government, as well as dealing with the question of duplication of effort, other than solving the problem on the basis of the amount of funds expended.

On other occasions I have taken the floor in support of legislation that I introduced to provide for an agency representing the Congress and responsible to Congress that could work constructively at all times in an effort to deal with the problem as to what services the people of this country believe they want. What agencies are needed to perform that service, as well as the number of people that seem to be needed in order to carry on such service. This problem of employment is being conducted in a more or less backward manner. If you will read the hearings you will find that this committee over and over again directs attention to what their investigators have done in order to bring about economy in certain departments.

It seems rather odd that the great Appropriations Committee of the House, in order to bring about a certain amount of economy and efficiency, are required to do so by sending what they call investigators into the various departments of the Government in order to get it done. There should be a group who could give careful study to these problems at all times and should keep the Congress informed with regard to the needs and requirements of the various departments of our Government.

The whole thing should be handled in a constructive manner. If you will read the hearings you will find that in too many places there is a certain amount of resistance on the part of department heads when there should be full cooperation. There is no good reason why departments and agencies should not cooperate with the committee. They should tell them about their needs, of course, but they should also explain wherein economies can be made and efficiency brought about in the departments of government.

I want to commend the members of this committee for the splendid work they have done, but I say again, it is unfortunate that it is necessary for the committee to have to handle so much of the legislation under the circumstances which they appear required to do. Of course, there should be justification for the amount of government expenditures and there should also be cooperation on the part of department

heads in dealing with the problems involved.

Mr. GORE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise to ask a question of the chairman of the subcommittee in order that I may determine whether at a later point in the bill an amendment should be offered. The budget recommended that this language be included in the provisions of the bill relating to the Maritime Commission:

Provided further, That, except for payment of construction differential subsidies as provided in section 504 of the Merchant Marine Act, 1936, as amended, no moneys or contract authority shall be available during the period beginning with the date of enactment hereof and ending June 30, 1948, for the construction of any vessel begun after such date of enactment unless the Commission has entered into a contract for the sale of such vessel.

Before the gentleman answers, let me state my understanding of it, and maybe that will clarify the question somewhat.

My understanding of this language is that the President is recommending that the Maritime Commission be prohibited from starting the construction of any new vessels in the next fiscal year until and unless they have a contract of sale for them. As I understand it, if this is stricken out, it means, according to the committee report, that the Maritime Commission will begin construction and construct \$99,000,000 of new ships for which they may or may not have a sale.

As it operates under the basic act, as I understand it, the shipping interests are required to pay 50 percent of the cost of a vessel under a contract of sale. If this is stricken out, it means the Government will pay 100 percent of the cost; and having no sale, the only recourse left to the Government may be a charter which in some cases, or in most cases rather, is a very nominal fee.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the able and hard-working chairman of the subcommittee.

Mr. WIGGLESWORTH. May I say to the gentleman that I think the effect of the action in striking out the proposed proviso is to leave the law exactly as it is today and as it always has been. Of course, the old program of construction is already under contract and the proviso would only affect the new program as it develops. I think the feeling of the committee was that they should not unnecessarily tie the hands of the Commission with respect to methods which they have heretofore used under the enabling legislation.

Mr. GORE. What does the gentleman mean by "unnecessarily"? All this does is to prevent them from beginning the construction of a ship until they have a contract to sell it. If they cannot sell it, they are holding the bag—with the ship in it—and they have nothing to do but to either let the ship lie idle or charter it; and, as I say, those charter fees are frequently very nominal; and it really means upping the budget since the budget recommended \$84,000,000 for new ships, the shipping interests to pay half

of it, or \$47,000,000. But, as it is, the Maritime Commission will have to pay all of it.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GORE. If the distinguished gentleman, the chairman of the subcommittee, is finished with his answer, I will be glad to yield to the gentleman from Texas.

Mr. WIGGLESWORTH. I yield for the moment to the gentleman from Texas.

Mr. THOMAS of Texas. May I say to the gentleman that the committee was unanimous in striking out the budget limitation for three reasons. In the first place, if you will read carefully the budget limitations it says "except as provided in section 504 of the Merchant Marine Act of 1936." That is the section of the act which allows the construction differential subsidy up to 50 percent.

Mr. GORE. That is right. But that is what you are striking out.

Mr. THOMAS of Texas. If the gentleman will wait just a moment—the amendment is very ambiguous. It says, "except that." And since the amendment is not clear, that was one ground on which they removed the limitation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GORE. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. THOMAS of Texas. The next ground is that we merely want to put it back as it normally was. This budget calls for only nine new ships. Three of them are prototype passenger ships and the remainder are new type cargo ships. Their total cost is only \$84,000,000. The figure you refer to, the remainder, the difference between 99 and 84 is for betterments. The bill only carries about \$21,150,000 this year to get the program started.

Mr. Chairman, I would like to correct one mistake which I think the gentleman is laboring under. These ships will certainly, when constructed, be chartered out but not on a nominal fee because they will be so much better than what we have now. In truth and in fact, they will bring in a profit, and the Maritime Commission says that they are satisfied that within the next 6 or 8 months, even before they get these ships laid down, they will be sold.

Mr. GORE. Does the gentleman agree with me that the striking out of the proviso which would require the subsidy participation, the participation of the shipping interests in the cost of construction, means that the Government will pay the entire amount of \$84,000,000 rather than a part?

Mr. THOMAS of Texas. I think the gentleman is wrong and I will tell him why. I think the gentleman is in error in his judgment that eventually the Maritime Commission will have to pay it all, for this reason.

At VJ-day the Maritime Commission embarked upon a new shipbuilding program of 43 ships. Today 36 of the 43 are completed and sold. It is the expectation that these 9 ships, long before they are constructed, will be sold.

Mr. GORE. Then what is the objection to having the proviso in the bill that construction be not started until there is a contract of sale?

Mr. THOMAS of Texas. It will simply slow it down, for the simple reason they have not closed all the negotiations with the purchasers at this time. Frankly, the purchasers are having a little trouble with the Treasury Department on their differential.

Mr. GORE. Mr. Chairman, frankly I do not quite see the advisability of starting out on a 100-percent cost-of-construction program by the Maritime Commission when we now have more surplus ships than we can possibly sell, and this would really increase the expenditures of the Government rather than reduce them. This eliminates the participation of the shipping industry to the extent of 50 percent of the cost. It really means upping the expenditures of the 1948 merchant-marine expenditure.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. WIGGLESWORTH. I do not think there is anything in the picture which contemplates a 100-percent assumption of cost by the Government in this connection. The construction subsidy is either paid at the outset or it is collected from those to whom the ship is sold.

Mr. GORE. Well, you have no understanding that you can or will dispose of the ships.

Mr. WIGGLESWORTH. The policy has always been the same heretofore. Striking the proviso leaves the situation as it always has been.

Mr. GORE. Now, if it is necessary, from the standpoint of national defense that the Maritime Commission may inaugurate a shipbuilding program, then I offer no objection. But I want the House to understand that it means this so-called saving of budget items of the Maritime Commission, referred to in the report, is partially washed out. That, too, becomes an apparent but not a real saving.

Mr. WIGGLESWORTH. That does not follow at all.

Mr. THOMAS of Texas. If the gentleman will refer to the hearings, he will find a letter from the Secretary of the Navy to the chairman of the Maritime Commission, urging them to go ahead with the cargo shipbuilding program, for national defense purposes. I can assure the gentleman from Tennessee that it is not the intention of the committee to up the budget estimate in this regard one penny, because we are confident that the ships will all be sold long before they are completed.

Mr. GORE. Regardless of intent, that may prove the result. However, in the light of its hearing upon national defense plus the unanimous confidence of the subcommittee that the provision should be stricken I shall not offer the amendment I had intended to offer.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has again expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For necessary expenses of the Veterans' Administration, including maintenance and operation of medical, hospital, and domiciliary services, in carrying out the functions pursuant to all laws for which the Administration is charged with administering, including personal services in the District of Columbia; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; health service program as authorized by act of August 8, 1946 (Public Law 658); purchase of 323 passenger motor vehicles; utilization of Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as the Administrator may by regulation prescribe; services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; maintenance and operation of farms; recreational articles and facilities at institutions maintained by the Veterans' Administration; expenses incidental to securing employment for war veterans; funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration except burial awards authorized by Veterans' Administration Regulation No. 9 (a), as amended; the purchase of tobacco to be furnished, subject to regulations of the Administrator, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes; aid to State or Territorial homes in conformity with the act approved August 27, 1888, as amended (24 U. S. C. 134), for the support of veterans eligible for admission to Veterans' Administration facilities for hospital or domiciliary care; the purchase of printed reduced-fare requests for use by veterans when traveling at their own expense from or to Veterans' Administration facilities; not to exceed \$3,500 for newspapers and periodicals; and not to exceed \$120,200 for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including the purchase or rental of equipment; \$878,040,780, from which allotments and transfers may be made to the Federal Security Agency (Public Health Service), the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment: *Provided*, That no part of this appropriation shall be used to pay in excess of 100 persons engaged in public relations work: *Provided further*, That no part of this appropriation shall be expended for the purchase of any site for or toward the construction of any new hospital or home, or for the purchase of any hospital or home; and not more than \$7,807,000 of this appropriation may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration either by contract or by the hire of temporary employees and the purchase of materials.

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana: On page 48, line 18, strike out "\$878,040,780" and insert in lieu thereof "\$978,040,780."

Mr. ALLEN of Louisiana. Mr. Chairman, the object of this amendment is to do exactly what General Hawley told the Veterans' Affairs Committee yesterday that he had to have in order to staff the hospital beds he will have after July 1.

I presented this question back on May 2 to the committee, as will be seen from page 4470 of the Record of that date, and I showed at that time that the Veterans' Administration had at that time 5,174 beds which it was not able to operate, and those beds were scattered all over the Nation, some in every hospital perhaps in the Nation, more or less, all the way from a few beds, 15 or 20, up to 400 or 500. I also showed at that time that on and after July 1 when we reached the new fiscal year we will have a total of about 9,700 beds that General Hawley will not be able to operate because he does not have the doctors, nurses, and attendants to operate them. He does not have those people because he does not have the money.

Yesterday, General Hawley appeared before our committee again. We asked him what he needed in the way of money to operate the beds. Here is what he said, and I beg the committee to look at this question very seriously. I am presenting an amendment for certain needs as revealed by the highest medical authority in the Veterans' Administration. The chairman of the Veterans' Committee is present, as well as other members, and they know this is so. Here are some of the questions that were asked General Hawley yesterday. Mr. KEARNEY, of New York, a splendid Republican member of the committee, asked General Hawley this question:

We want to know whether you are being denied necessary personnel or the funds properly to run your set-up?

Dr. HAWLEY. We do not have enough funds to run the present scope of our set-up.

Mr. KEARNEY. How much more do you need?

Dr. HAWLEY. \$100,000,000 and 30,000 people.

Mr. KEARNEY. \$100,000,000 and 30,000 more people?

Dr. HAWLEY. Yes, plus the additions that will come in during 1948.

Dr. Hawley further testified, and I want you to listen to this:

Dr. HAWLEY. We have on duty today in all hospitals 61,529 people and if you subtract the 2,933 that are earmarked for new hospitals, that give us only 58,596 people to operate the hospitals next year exclusive of those three new ones.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from North Carolina.

Mr. COOLEY. According to the statement the gentleman has just made, the situation will be worse in the coming year than it is at present time?

Mr. ALLEN of Louisiana. I thank the gentleman. That is exactly what will happen. Here are the facts and no one on either side of the aisle can deny it. It is not a political matter, it is not a party matter.

The CHAIRMAN. The time of the gentleman from Louisiana has expired. Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Georgia.

Mr. COX. Did General Hawley explain to your committee just why he did not reveal that fact to the Appropriations Committee when he was asking for appropriations? Does the gentleman know his reasons for having said to the Appropriations Committee that the committee was giving him everything he had asked for? If the gentleman will examine the record of the testimony taken by the Appropriations Committee he will find that the committee went to great pains to make certain and to make clear that it was giving General Hawley every cent he was asking for. General Hawley is a soldier, and I dare say in appearing before the Appropriations Committee he was performing as a soldier. The recommendation of the Budget is what General Hawley accepted as being binding upon him, but General Hawley knew that the personnel recommended by the Bureau of the Budget would not enable the Administration to serve the veterans as they should properly be served.

Mr. ALLEN of Louisiana. I thank the distinguished gentleman from Georgia for that statement. He is correct in saying that General Hawley is a soldier, and General Hawley is operating under Budget directions. I do not have all the testimony before me that General Hawley gave yesterday, but General Hawley let us know that he was operating under Budget restrictions. I see the distinguished chairman of the committee on her feet, and I yield to her.

Mrs. ROGERS of Massachusetts. Does it not seem to the gentleman that in matters as important as hospital benefits and other benefits that at least some member of the Committee on Veterans' Affairs should sit in with the Committee on Appropriations? Apparently the committee has been told one thing and we have been told something else. Our responsibility is to legislate in the first instance for the veteran, and there is something very wrong, it seems to me, about the present procedure.

Mr. ALLEN of Louisiana. I thank the gentleman. I have no comment now as to whether a legislative committee should sit in with the Committee on Appropriations, but I do know this, that there seems to be a discrepancy, and I do know that General Hawley has given us the latest figures. Let me say this: Regardless of what the Budget Bureau says, it is still the responsibility of this Congress to see that the hospitals are operated properly, and General Hawley says emphatically that he does not have the money; that he lacks \$100,000,000 of having enough money and he lacks 30,000 people of having adequate personnel, and it is the responsibility of Congress to see that he has it.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Texas, a member of the committee.

Mr. TEAGUE. General Hawley did make the statement to the committee that he had 20,996 veterans waiting to enter hospitals, but no member of the committee pursued that statement to ask him how he was going to take care of them. It seems to me there was some indication to the committee that he was not receiving enough money. He also stated to the committee that they would not reach their maximum hospital load until 1970, and after General Hawley made that statement there was no question asked him as to how he intended to take care of that 21,000 waiting list.

Mr. ALLEN of Louisiana. I thank the gentleman.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. As a member of the Committee on Veterans' Affairs, I wish the gentleman would clear this up for me. It is my understanding that under existing law the Veterans' Administration provides beds for men with non-service-connected disability where beds are available. Now, is it the gentleman's understanding that it is the responsibility of the Veterans' Administration to recommend a construction program to care for the needs of all veterans who require hospitalization, whether service connected or not?

Mr. ALLEN of Louisiana. I want to say to the distinguished gentleman from Connecticut that that question is not before us at this time. The policy now in operation was established years before I came here. I am talking about operating hospital beds that we now have and will have next year.

Mr. MILLER of Connecticut. It is before us today.

Mr. ALLEN of Louisiana. That is not the question presented in my amendment. As I said, a number of years ago Congress provided that non-service-connected cases could be entered in hospitals if there were available beds not being used by service-connected cases. What I am talking about is meeting the issue next year. I am talking about meeting the issue now and I ask that this House not evade this issue. I ask this House to provide enough funds in this bill right now to take care of the needs for next year. My amendment will do it. I ask your support.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is not a member of the Committee on Appropriations of this House that has not the best interests of every veteran in America at heart.

We have made it very clear in our report that in the recommendations which we have made there is not contemplated one penny reduction in any benefit provided by the Congress for our veterans; nor one penny reduction in

anything due to the widowed, the orphaned, or in medical care to any that are eligible.

We considered the over-all picture very carefully. General Hawley was before our committee for days, and it was only a few days ago. At the conclusion of our consideration, we allowed the full Budget estimate, in respect to the item the gentleman from Louisiana now seeks to increase, except as to \$38,000,000; \$27,000,000 of the \$38,000,000 was in respect to personnel and the balance in respect to so-called other obligations. The committee made it crystal clear in its report that not one penny of the \$27,000,000 of reduction in personnel was to be applicable to hospitals; in other words, that General Hawley was to have every person and every cent that he had requested.

The record also indicates, as I pointed out yesterday, that not only has the Congress made available every cent and every individual requested by General Hawley heretofore, but that General Hawley has not yet reached the personnel ceiling the Bureau of the Budget has allowed him—

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. I reiterate what the chairman has just said, that it was the intention of the committee to give General Hawley every dime he asked for, and that we did. There may be one or two minor exceptions under some small items. Let me submit this proposition to the chairman: Since it is the intention of the committee to take 100 percent care of these veterans in the way of hospitalization, if General Hawley will go over to the other body and ask for an increase, and justify it, to the amount suggested by my distinguished friend from Louisiana, am I not safe in saying that the gentleman's committee will go along with that justification? But certainly it was not made before this subcommittee.

Mr. WIGGLESWORTH. This committee has not had one bit of evidence in justification of the amendment proposed by the gentleman from Louisiana. If anybody is to blame, General Hawley himself must take that blame upon his shoulders, because he never brought one syllable of evidence to our committee a few days ago. I subscribe 100 percent to the suggestion of the gentleman from Texas to the effect that if General Hawley can justify further appropriations either before the Senate Appropriations Committee in connection with this bill or before the House Appropriations Committee in connection with a deficiency bill, of course he will get every cent that he proves to be necessary. I do not see, however, how this committee can be expected to subscribe to an increase of \$100,000,000 without one syllable of testimony before it to support the proposal.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Georgia.

Mr. COX. May I say that I have examined the record of the testimony

taken by the gentleman's committee and am confident that if General Hawley had made this disclosure to the committee and had made a request for this additional money the committee would have given it to him.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. The gentleman is bound to know that any representative of a department up here is supposed to live and to make his demands within budget recommendations. I am not talking about budget recommendations, I am talking about needs, I am talking about what General Hawley says now under solemn cross-examination that he needs. It is a question of whether we want to live up to what he needs.

Mr. WIGGLESWORTH. If the general will come before the Committee on Appropriations and justify those needs he will not find any difficulty in having them satisfied.

Mr. HENDRICKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not rise in opposition to this amendment because I want in any way to take away any of the benefits the veteran is entitled to. I rise in opposition to the amendment because I, myself, am personally offended at the position General Hawley has taken. General Hawley knows full well that he could have told us at perfect liberty, off the record, if he wanted to protect himself, that he did not have enough funds to take care of these veterans who had made application to get into the hospitals, but he did not do so. We need not assume the position that any man in any department need feel he is bound by the recommendation of the budget, because he is not. On many occasions they have told our committee that the budget recommended a certain amount but that they needed so much, and in many instances we have increased the appropriations over the budget recommendations.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I am glad to yield to the gentleman.

Mr. ALLEN of Louisiana. Did any member of your committee ask General Hawley if he needed anything above the budget recommendation?

Mr. HENDRICKS. I think throughout the hearings every member of our committee asked every man who appeared before us from the Veterans' Administration, "Are we properly caring for the veterans in providing for the benefits that are coming to them?"

Mr. ALLEN of Louisiana. Did you ask him to make any further recommendations?

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to my colleague from California.

Mr. PHILLIPS of California. Is it not a fact, may I ask the gentleman from Florida, that we did just those things and that representatives of the Veterans' Administration, as well as representatives from other agencies, with great

frankness told us just exactly what each situation was? It is, therefore, a matter of orderly budgeting, whether justifications shall be made before the Committee on Appropriations, as they were in this case, and the money given by the Committee on Appropriations, or whether, without any justification at all, a request shall come in for an additional \$100,000,000. It seems to me that the suggestion from the gentleman from Texas [Mr. THOMAS] is the solution, and that General Hawley should go before the Senate subcommittee having consideration of this bill and justify what he apparently said before a legislative committee, but not before the Committee on Appropriations.

Mr. HENDRICKS. I think the gentleman from California is correct. We stated here yesterday in general debate that no one had any intention of denying any veteran any benefit to which he is entitled, not by one cent. Every member of this committee knows full well, and so did General Hawley that if he needed more money all he would have had to say to us was that the budget recommended a certain sum but that he felt the budget was incorrect. Or he could have told us that he could use a certain amount of money in taking care of these veterans and he could have gotten it. Everyone knows that we have increased appropriations above budget estimates in certain instances. The whole point is simply that General Hawley came before one committee and said one thing and then went before another committee and said another thing.

The solution to this problem is this: My recommendation would be that General Hawley now go before the Senate Committee on Appropriations, and I am sure the Senate will agree to put the money in the bill if he says they need it and if he makes a case. I am sure the House conferees will accept that if he wants to do it. His next move, if he runs short of funds, is to ask for a deficiency appropriation. I am sure no committee, not the deficiency committee or the whole Committee on Appropriations or any Member of the House, would deny him funds. But I do not think it is correct for him to come before us and tell us one thing and then go before another committee and tell them something else. He had every reason to tell us what he needed. He was before us. He did not have to be the soldier and abide by the budget recommendations. He could have told us exactly what he needed because it is our job to determine whether or not the budget requests are right, and that is what we do.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I am glad to yield to the gentleman.

Mr. PRICE of Illinois. May I say to the gentleman from Florida in fairness to General Hawley that he did not volunteer any of this information. It came as a result of questioning before our Committee on Veterans' Affairs. He was making no complaints and he was not asking for anything.

Mr. HENDRICKS. Well, the point I make is this. He disclosed this information to your committee, so why did he

not disclose it to the committee which was making the appropriation?

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield.

Mr. TEAGUE. The reason is that none of you asked him any questions.

Mr. HENDRICKS. We do not have to ask any of these men any questions.

Mr. TEAGUE. He told you that there were 20,000 patients on the waiting list.

Mr. HENDRICKS. That is begging the question. They know perfectly well what they need. We do not have to ask questions as to whether they need money.

All they have to do is make a simple statement, and they will get it if they need it. It is our job to decide, as I said before, whether the budget is correct and whether we will give more or less. We are perfectly willing to listen. If General Hawley had said he needed the money or had indicated in any way what he needed, there is no member of this committee who would have denied him what he needed.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 12 minutes, the last 2 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am extremely glad that the gentleman from Louisiana [Mr. ALLEN] has brought up this matter. I think it is high time that representatives of the departments stop telling the Appropriations Committee one thing as regards their needs and then coming to the authorization committee—the Committee on Veterans' Affairs in this instance—and telling them they need more money. Under the circumstances I am willing to accept, for the time being, the verdict of the Committee on Appropriations. If General Hawley feels he does not have enough money to operate the hospitals and care for the veterans properly he can go before the Senate committee and ask for that amount of money. Apparently no one on the Appropriations Committee feels he asked for a cent more than they have appropriated. For that reason for the present I am willing to go along with the Appropriations Committee and accept their promise that they will appropriate more in one of the appropriations bills which will follow this.

I am very glad that the gentleman from Louisiana [Mr. ALLEN] brought up the point. I could not be present yesterday during the entire hearings, because I had a very important committee meeting with the Speaker of the House regarding certain veterans' matters in another section of the Congress. No one in the House wants to deprive the veterans of any money for hospitalization or proper medical care. It is important that requests for appropriations be discussed in the House, because this sort of thing must be stopped. I have repeatedly asked that I and a few members of the Veterans' Affairs Committee might sit

in with the Appropriations Committee to find out what the Veterans' Administration has to say to them. If they come before us and say something different, it is very unfair to us and to the Appropriations Committee and to the veterans. In the first instance the Committee on Veterans' Affairs has the responsibilities for legislation for the veterans' welfare.

Mr. KEEFE. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. KEEFE. Should it not be perfectly clear in the Record that any administrative agent like General Hawley, representing the Veteran's Administration, who appears before the Appropriations Committee, is bound by instructions in writing from the President of the United States, which has gone out to every executive agency of Government, that they are not to justify any request for appropriation in excess of the budget estimate? But when he comes before your committee he is not bound by that instruction, and he can tell your committee what is on his mind. I have noticed it in handling requests for appropriations time and again, when I felt that an agency was not getting enough money from the Bureau of the Budget to properly handle their business and I have tried the best I could to pull out of those people, when they came there, justification for more money for a thing I knew they should have more money for. But they would close up like clams, and then, off the record, would tell me, "We are sorry, Congressman, we cannot violate the order." It would not make any difference if you sat in with the Appropriations Committee. Does not the gentlewoman see the point?

Mrs. ROGERS of Massachusetts. Yes, that is true in some cases, insofar as public requests are made to the Appropriation Committee but I am quite sure that requests are made to that committee off the record and I should assume the members of the Appropriations Committee would ask General Hawley off the record if he needs anything more.

Mr. COX. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Georgia.

Mr. COX. If that is intended as a criticism of the Appropriations Committee, with all due deference to the gentlewoman, I think it very unfair.

Mrs. ROGERS of Massachusetts. I yield no further to the gentleman from Georgia. I will say to the gentleman that I was rather defending the Appropriations Committee, I believe that no one on the Appropriations Committee would fail to ask that question of representatives of the Department, in this instance General Hawley.

Mr. COX. Will the gentlewoman yield further?

Mrs. ROGERS of Massachusetts. I yield no further to the gentleman from Georgia.

The CHAIRMAN. The time of the gentlewoman has expired.

The gentleman from Texas [Mr. TEAGUE] is recognized for 2 minutes.

Mr. TEAGUE. Mr. Chairman, I wish to say that General Hawley did not come

before our committee and ask for additional money. He came before our committee and told us that there were 20,000 veterans waiting for hospitalization. We asked him how he was taking care of them. He stated that he could not because the hospital load was increasing all the time and actually his amount of money had increased none. Then we asked him how much money it would take to take care of these veterans and that was how this thing came out.

I wish to ask a question of the gentleman from Massachusetts [Mr. WIGGLESWORTH]: On page 536 of the hearings General Bradley pointed out to the gentleman from Massachusetts that there would probably be a shortage of funds for rations and medical supplies during 1948 and asked what his procedure should be. Should he go ahead and use what was needed and ask for a deficiency or should he stop? The gentleman's answer to him was that the committee would think the matter over and get together. I would like to know what the final answer to General Hawley was.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. WIGGLESWORTH. Under date of June 3, 1947, I wrote General Bradley as follows, as chairman of the subcommittee:

JUNE 3, 1947.

Gen. OMAR N. BRADLEY,
Administrator, Veterans'
Administration, Washington, D. C.

DEAR GENERAL BRADLEY: At the conclusion of the recent hearings in connection with the 1948 estimates for the Veterans' Administration you asked the subcommittee the following question:

"If we find we can take care of 39,000,000 patient-days with the personnel which is allowed us, but it would involve a bigger expense for rations and medical supplies, are we justified in coming back to you for that difference?"

I am authorized by the subcommittee to advise you that the answer is "Yes" to your question.

Sincerely yours,

RICHARD B. WIGGLESWORTH,
Chairman, Subcommittee on
Independent Offices Appropriations.

Mr. TEAGUE. I thank the gentleman, and yield back the remainder of my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. MILLER] is recognized for 3 minutes.

Mr. MILLER of Connecticut. Mr. Chairman, I take these 3 minutes in order to straighten out an incomplete question I asked of the gentleman from Louisiana, for fear it may be misunderstood. I asked the gentleman a few minutes ago if I was right in believing that under existing law the Veterans' Administration was charged with admitting veterans to veterans' hospitals suffering from non-service-connected disabilities where beds were available. The gentleman answered "Yes," but he said that matter was not before us at this time and he would discuss it later.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I cannot yield.

Mr. ALLEN of Louisiana. But I yielded to the gentleman.

Mr. MILLER of Connecticut. I have got caught before yielding when my time was short. I want to get this matter completed if I can. I want to clarify this matter of admitting veterans with non-service-connected disabilities to hospitals where beds are available. I think it is pertinent to the question of appropriations.

In my district the general medical hospital of the Veterans' Administration is at the present time about 93 percent occupied by veterans with non-service-connected disabilities.

If Congress is going to provide for every World War I and World War II veteran to be treated at these veterans' hospitals for all types of non-service-connected cases, I am concerned about where we are going to put the service-connected men who apply for admission. If you are going to carry out the whole program, then the \$96,000,000 that we are talking about now is only a drop in the bucket; and I think it is very important that the Congress through the Committee on Veterans' Affairs, of which the distinguished gentlewoman from Massachusetts is chairman, clarify that policy.

I am not criticizing the Veterans' Administration because if there is an empty bed and a non-service-connected case comes along they should admit him, but when all the beds are filled with non-service-connected cases and a service-connected case comes along they cannot admit the veteran suffering from a war disability.

I now yield to the gentleman from Louisiana. I did not mean to be abrupt to him when I declined to yield earlier.

Mr. ALLEN of Louisiana. I wanted to say to the gentleman that the question of admitting non-service-connected cases is permissive. As the gentleman knows there is nothing mandatory about it. It is a matter of administrative discretion on the part of the Veterans' Administration. If there are vacant beds the Veterans' Administration has the right to admit non-service-connected cases.

The gentleman is asking about a policy as to what can be done in the future. That is a matter for the Congress to determine. I do not know what the Congress is going to do and the gentleman does not know.

Mr. MILLER of Connecticut. But I think we should know what is going to be done. Suppose there is one empty bed and a non-service-connected case comes along with appendicitis and he has his appendix out, and 8 hours later a service-connected veteran applies for admission. Obviously you cannot turn out the non-service-connected case that had his appendix removed 8 hours earlier and turn the bed over to the service-connected case.

I think it is very important that the policy be determined and that adequate facilities be provided to meet the situation.

May I repeat. I have no objection, in fact I approve of providing hospital care for every veteran regardless of the cause of his or her disability whenever and wherever there is a vacant hospital bed, but if we are going to build hospitals enough to provide an empty bed for every

war veteran who may need it we have a huge building program ahead of us.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. PHILLIPS of California. Mr. Chairman, the point made by the gentleman from Connecticut [Mr. MILLER] shows the seriousness and the complications of the situation and is well taken. It calls attention to the fact that this is not a matter that can be settled without supporting facts, to the extent of \$100,000,000, on the floor of the House. I rise to suggest again the propriety of the idea of the gentleman from Texas [Mr. THOMAS], that we should refuse this amendment, then ask General Hawley to present facts in justification before the Senate committee. If General Hawley was a soldier before the Appropriations Committee I think he was also a soldier before the legislative committee. I can assure the gentleman from Louisiana [Mr. ALLEN] that we do not refrain from asking questions and that the same informality, the same freedom of expression, obtains in the Committee on Appropriations as in legislative committees. I concur with the gentlewoman from Massachusetts [Mrs. ROGERS] in her hope that there will be cooperation between legislative and appropriation committees.

Mr. Chairman, I suggest that the amendment be rejected.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Louisiana [Mr. ALLEN].

The amendment was rejected.

Mr. GOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOFF: On page 48, line 18, strike out "\$878,040,780" and insert in lieu thereof "\$868,040,708."

Mr. GOFF. Mr. Chairman, this amendment involves a cut of \$10,000,000.

Mr. Chairman, what I now have to say must be taken in no sense as a criticism of our fine House subcommittee of both Republicans and Democrats which has worked long, faithfully, and capably on the present bill. I entertain only the highest regard for fellow Members of Congress who lean over backward to insure the ultimate in care for our disabled comrades in arms and the fullest opportunity for veterans' widows and orphans and for veterans themselves to enjoy every benefit accorded by law. In the face of insistent public demand for cuts in expenditures, any doubts have been resolved in favor of ample provision for veterans' welfare, rather than parsimonious snipping.

The Veterans' Administration is the giant of our independent Government agencies. It is a sprawling colossus, created after World War I, which mushroomed in size after the termination of hostilities in World War II, and is headed by one of our national heroes, a man whose integrity and high purpose are above all possible question.

Legislation has been passed by Congress to cover almost every possible need of veterans of the two World Wars, and

the problems and cost of implementation of such legislation have grown almost beyond the bounds of congressional scrutiny.

But now we must attempt to do some weeding in the field of the Veterans' Administration. This Congress has tackled the personnel superstructure of other governmental agencies, and I see no just reason why this important bureau should be held inviolate when it comes to plowing under incompetent jobholders.

Unfortunately, after each war, the agency became a haven for a very large number of job hunters of limited ability, but recently discharged from war service, for whom no places at any way comparable salaries were open in ordinary civilian employment. Many were men of good intention but a paucity of qualifications to do the work. A lot of them were what we call professional veterans, often active in veterans' organizations, out looking for soft berths to land in. A lot of them, during hostilities, had managed to slip into safe Army jobs far from the hardships and the shooting, and had let someone else do the fighting. Some of them were commissioned officers of doubtful ability, whose talents are more suited to drive milk trucks than holding down administrative positions.

My amendment is not aimed at the many able and zealous public servants in the Veterans' Administration. Their jobs will be easier if we clear out the dawdlers. It is not aimed at hard-working personnel engaged in giving hospital or medical care to our veterans. But my amendment is directed at the hordes of inefficient administrative employees, particularly of our regional, subregional, and local offices, and, worse than these, the misfits, the selfish, and the lazy, who have crawled onto what to them is the gravy train. I speak of the important-looking brief-case boys, some of whom hardly conceal their contempt for veterans who work for a living. Then there are the office managers, who should be pushing wheelbarrows instead of pencils. A private physician writes me of a veteran he sent to an administration office who waited for more than an hour while the man he was to see was out for a cup of coffee. Serious-minded members of Legion committees tell me of attending conventions and conferences where some regional official was accompanied by as many as four other Veterans' Administration employees, who carried brief cases and contributed nothing, while relaxing on their expense accounts. I know of veterans who have been booted out of one ordinary civilian job after another, but who complain bitterly that they are not making more than \$7,000 a year now with the Veterans' Administration. There is a subregional office where stenographers complain in disgust that they average typing one letter a day and spend the rest of the time reading magazines, or at whatever else will take up the slow hours. They know they are overpaid and overgraded. There is no need for four janitors where one grew before. This is not a situation peculiar to one part of the country. These shilly-shally business methods have existed since the First World War.

I invite your attention to the next to the last paragraph on page 20 of the report on the bill. This reads as follows:

The record discloses disturbing weaknesses in the present situation.

There appears to be no proper central control of personnel. This seems to have been lost back in December 1945 when the power of employment was delegated to heads of offices in the field, some 78,000 employees having been added to the rolls in a period of 6 months thereafter. The committee is advised that no current personnel records, covering positions and salaries of those in the field offices, are available in the central office in Washington, although available records do show a disproportionate assignment of personnel of branch and regional offices and of administrative and maintenance personnel at hospitals.

Again I say that the bulk of the Administration employees want to do a good job. I would be the first to agree that generalities are unfair to the earnest and efficient worker. But I do know a man whose ability I respect who voluntarily took other employment at a much lower salary because he was fed up on the inefficiency of the Veterans' Administration office in which he worked.

I believe there are Members of the House who have felt that something ought to be done to remedy the situation, but who have kept silent because they did not want to appear unfriendly to ex-service men and women.

This is something veterans ought to want to see cleaned up. We know that eventually a long-suffering public will revolt at such incompetence and the whole program will be discredited. Now is the time for Congress to act. We can force a shake-up by a cut in appropriations. We want to provide for our veterans all that is justly due from a grateful Nation, but if less goes to pay salaries of useless job holders, then there will be more for the veterans who need help.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I have a very high regard for the gentleman from Idaho who has just spoken, and who has served not only in one world war but in two. I know of his earnest desire to try to improve existing conditions within the Veterans' Administration. I think we all share in that desire.

However, Mr. Chairman, as far as further reduction in personnel is concerned, I feel as I indicated yesterday, that the committee has gone as far as it is desirable to go at this time.

I believe it is better to be on the conservative side, particularly in view of the fact that General Bradley has indicated his full realization of the importance of a proper over-all central control over personnel and in view of the fact that he now has studies under way with a view to improving present conditions.

I therefore think it would not be wise to adopt the proposed amendment at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The amendment was rejected.

The Clerk read as follows:

For hospital and domiciliary facilities, in addition to the unobligated balances of other appropriations for this purpose, and to the unobligated balance of the contract authority of \$441,250,000 in the Third Urgent Deficiency Appropriation Act, 1946 (which authority is hereby extended to July 1, 1949), the Administrator is authorized to incur obligations prior to July 1, 1949, in an amount not exceeding \$338,250,000, which shall be available for use, with the approval of the President, for extending any of the facilities under the jurisdiction of the Veterans' Administration or for any of the purposes set forth in sections 1 and 2 of the act approved March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of the Servicemen's Readjustment Act of 1944: *Provided*, That not to exceed 6.7 percent of the foregoing appropriation and contract authorizations shall be available for the employment in the District of Columbia and in the field of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 10 percent of the cost of such projects may be expended for such services.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 51, line 20, strike out the period and insert a semicolon and the following: "*Provided further*, That no part of the funds appropriated in this bill or any funds heretofore made available, including contract authorizations, shall be used for the purchase or condemnation of the site or for the erection of a hospital on the tract of land in Arlington County, Va., known as the A. M. Nevius tract, situated at the intersection of Lee Boulevard and Arlington Ridge Road, containing approximately 25.406 acres; or for the purchase or condemnation of the site or erection of a hospital in Tallahassee, Fla."

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, this is an amendment to save the Government some money. I was encouraged to offer it by the discussion which occurred here during most of the morning, off the record, in which everybody was in favor of either saving money or cutting appropriations. I am in favor of both.

This Nevius tract concerning which I am going to talk has been a subject of discussion on Capitol Hill for, I believe, as long as I have been here. There have been efforts by numerous bureaus of the Government to purchase this land. Always it has been successfully blocked heretofore. When I learned that it was proposed to erect a veterans' hospital on

the Nevius tract I immediately went to see General Bradley to enter my protest.

Many of you probably are not acquainted with that location. It is just off the Lee Boulevard a short distance from Memorial Bridge. It is adjacent to and overlooks the National Military Cemetery. I have never heard that it would be encouraging to the recovery of veterans that they should be placed in a hospital where they look out of their windows upon the graves of their departed fellows and where they are constantly attuned to the taps of the burial of their comrades and the firing of the final salutes. That is what is proposed here.

I oppose this site for several reasons. One of them is that very rapidly the Federal Government is absorbing Arlington County and withdrawing its property from taxation to the point where that county is going to find it very difficult to survive in the future. That is a subject which perhaps does not so much interest Members of Congress. So I am going to talk to you about what does interest you.

This Nevius tract is a property for which the Government proposes to pay the sum of \$891,000, I believe it is. The owners are claiming that the property is more valuable than that, and the jury will finally have to decide how much more than \$891,000 the Government is going to have to pay for that site. Within 3 miles of that site the Government can buy sites—hilly and wooded land on arterial highways for only a very small percentage of what it is proposed to pay for this site.

I took occasion this morning to inquire as to the value of property within 3 miles of that which the Government could purchase. I was told that within 3 miles of the site for which the Government proposes to pay \$980,000 or \$1,000,000—and it will probably have to pay something in the neighborhood of \$2,000,000 for the property—there is property which is more appropriate, better, and more beautiful, and in quieter surroundings which can be purchased and which is only a 5-minute drive of that Nevius tract for \$25,000. And that would purchase the same quantity of land.

We all want to do what is right for the veteran. I do not think it is going to help them any to set them up in a hospital overlooking the cemetery which is going to be their final resting place. I doubt if it is going to help their morale or their recovery. Furthermore, there just is not any sense in our not paying some attention to the common-sense proposition of getting our money's worth when the Government is the purchaser.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I am glad to yield to the gentleman.

Mr. SIKES. The gentleman has presumed to include in his amendment language affecting my district. I wonder if he will direct his discussion to telling us why he included Tallahassee Park?

Mr. SMITH of Virginia. Very gladly.

Mr. COX. Mr. Chairman, if the gentleman from Virginia will wait, I will take care of the gentleman from Florida on that score.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I am delighted to yield to the gentleman.

Mr. ELSTON. May I ask the gentleman if there is any medical center or anything near this tract which warrants the building of a hospital at that particular place?

Mr. SMITH of Virginia. It was stated to me that that was the reason for putting it there; that it would be nearer the hospitals in Washington. The fact is that the Congress last year provided for a medical center in the District of Columbia. Nobody has yet determined where that site is going to be, whether it is going to be nearer this tract or a long distance from it.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ELSTON. Some years ago there was a hearing before the Military Affairs Committee at which time an effort was being made to annex this particular tract of land, which is about 25 acres, to Arlington Cemetery. At that time there was testimony before our committee that the owners paid only about \$22,000 for the tract. Of course, that was some years ago, but \$22,000 was about all they paid for the same tract which they are now trying to sell to the Government for almost \$900,000.

Mr. SMITH of Virginia. Property in that area is very high in price. I am not criticizing the owners of the property for trying to sell it for as much money as they can get for it. That is their privilege and their right. What I am criticizing is that a Federal agency seems to be utterly impervious to the value of a dollar.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RICH. You say that within 5 minutes from the point where they now want to purchase a site for \$900,000, they can buy one for \$25,000?

Mr. SMITH of Virginia. That is exactly what I said and I hope the gentleman will be for my amendment.

Mr. RICH. Why, Mr. Chairman, every man here should be for that amendment. If there is any man who would not be for that amendment, I would like to see him stand up.

Mr. SMITH of Virginia. Mr. Chairman, I yield back the remainder of my time.

ARLINGTON COUNTY, VA.,
OFFICE OF COMMISSIONER OF REVENUE,
Courthouse, Arlington, Va., June 16, 1947.
Hon. HOWARD W. SMITH,
United States House of Representatives,
Washington, D. C.

DEAR JUDGE: In my opinion, the purchase of the Nevius tract by the Federal Government for a veterans' hospital would be extreme extravagance on the part of the Government. The Nevius tract is one of, if not the most, valuable tracts of ground in Arlington, consisting of approximately twenty-three-and-a-fraction acres, or about 1,000,000 square feet. My information from Judge Harry R. Thomas, who represents the Nevius people as well as from Mr. C. L. Kenier, the county planning engineer, is that temporary plans were presented to the building inspector of Arlington County for the erection of a \$20,000,000 hotel

on this tract before the Veterans' Administration attempted to take the property over for a hospital.

I am further advised by the parties herein mentioned that a value of \$5,000,000 was agreed to for the land, or about \$5 a square foot.

There are numerous tracts of land in close proximity to Washington that, in my opinion, could be used to better advantage for a veterans' hospital, and could certainly be purchased at a far less cost than the Nevius tract. I am advised that the owners of the Nevius tract will not accept the price suggested by the Government in condemnation proceedings and I am sure that the owners of this tract can bring forth expert testimony that the tract is worth far more than the amount proposed by the Veterans' Administration.

A further objection to the Nevius tract for a veterans' hospital is the fact of its close proximity to Arlington Cemetery, with numerous burials daily, accompanied by squad firing and taps, which would seem to be very depressing to a veteran whose life was despaired of. If I remember correctly, some of the county officials, when they first learned of the proposal of the Government to take this tract over, suggested other cheaper and more desirable tracts in close proximity to Washington which could be obtained for a veterans' hospital.

From a tax angle, it means a further loss to Arlington at the present time of about \$9,000 a year with a potential loss, should the proposed hotel be built, of at least \$325,000 annually on the land and building alone, to say nothing of the personal property and license taxes which a hotel of such proportions would produce for the county.

I cannot too strongly emphasize the extravagance of the Federal Government in appropriating money to purchase property at a price far in excess of what more desirable property with far more acreage could be purchased for the same purpose.

Sincerely yours,

HARRY K. GREEN.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me the gentleman from Virginia [Mr. SMITH] has made out a very good case in this instance, but I think I ought to read, at the request of the Disabled American Veterans, a letter that has come to me, signed by Francis M. Sullivan, national director of legislation:

DISABLED AMERICAN VETERANS,
Washington, D. C., June 18, 1947.

The Honorable EDITH NOURSE ROGERS,
Chairman, House Committee on Veterans' Affairs, House of Representatives,
Washington, D. C.

DEAR Mrs. ROGERS: The rule granted for consideration of the independent offices appropriation bill, 1948, provides that amendments may be offered to said bill which would prohibit the use of funds appropriated in such bill or any funds heretofore made available, including contract authorizations, for the purchase of any particular site or for the erection of any particular hospital.

This is a most unusual and discriminatory rule. It strikes at the very necessary hospital-construction program and conceivably results in the elimination from such program sorely needed hospitals. The program has been carefully considered by the Federal Board of Hospitalization, by the House Committee on Appropriations, and other interested agencies.

We of the Disabled American Veterans respectfully request that you recommend to the House of Representatives the rejection of any proposed amendment intended to affect

the proposed hospital-construction program as contained in the independent offices appropriation bill.

Sincerely yours,

FRANCIS M. SULLIVAN,
National Director of Legislation.

I would like to point out to the House the danger of bringing in a rule of this kind. For instance, if any Member of Congress should happen to have a hospital that was under construction in his district, and anticipated funds were in this appropriation bill, if a Member rose under this rule and moved to strike out that the funds heretofore authorized should not be used for the construction of the hospital, they could not be used if the House so voted and the hospital might never be completed, because it is legislation on an appropriation bill. There is great danger in a rule of this kind. I think the Members are entitled to know that—those of you who have hospitals under construction; those who have plans under consideration. Sometimes \$100,000 worth of plans have already been under way. Apparently, in the case of the gentleman from Virginia [Mr. SMITH] as he makes out the case, there will be a saving, and the present site is an undesirable one. But it is a very bad precedent if we are going to follow the law we have laid down regarding using the suggestion of the Board of Hospitalization for hospital sites.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I cannot yield just now.

I would like to ask regarding the funds for the Tallahassee Hospital. The gentleman from Florida [Mr. SIKES] has asked the question. I do not know whether there is any construction under way there, or any plans. Is that correct?

Mr. SIKES. If the gentleman will yield, I will be glad to state that a site has been acquired and plans have been completed for the construction of a hospital. Construction itself has not begun.

Mrs. ROGERS of Massachusetts. Was that recommended by General Hawley and the Board of Hospitalization?

Mr. SIKES. Yes, it was.

Mrs. ROGERS of Massachusetts. It was recommended that that site be purchased? How much was paid for the site?

Mr. SIKES. I am unable to give that information just now. It was recommended that the construction of the hospital proceed and that it be completed as soon as possible.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mrs. BOLTON. Am I to understand that all the placing of hospitals is done very definitely under the National Hospitalization Board?

Mrs. ROGERS of Massachusetts. The Board of Hospitalization is supposed to do the selecting of the sites. I understand that sometimes the President overrules the Board.

Mrs. BOLTON. Is that selection accepted by the Veterans' Administration? Because unless we do have a unified and united plan for the hospitals of this

country we are certainly going to have duplication and unnecessary expense not only for the veterans' organizations but also for civilian hospitals.

Mrs. ROGERS of Massachusetts. I would say to the gentleman that the veterans have always preferred to be hospitalized except for in some instances specialized care in their own hospitals, and the veterans' organizations have endorsed hospitalization in Veterans' Administration hospitals. I want to point out again that under this rule they could shut off funds for hospitals under construction. If such a rule should be brought in relating to other Government hospitals, construction could be stopped.

Mrs. BOLTON. Possibly it would be better if some of those hospitals were stopped, they are put in such strange places.

Mrs. ROGERS of Massachusetts. I doubt if legislating hospitals in an appropriation bill on the floor would help the situation. General Hawley and the Board of Hospitalization make the selection of the sites unless we adopt a rule of this sort and we legislate the sites; or we legislate in the Committee on Veterans' Affairs to take the power away from the Board of Hospitalization and recommend hospital sites in a hospital construction bill.

Mrs. BOLTON. I have only common sense at my disposal, but it seems to me that some of the hospitals have been located in amazing places.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. I wanted to ask the gentleman, she being chairman of the Committee on Veterans' Affairs, if some Member of Congress realizes that we can get a site for \$25,000 that is just as good as one that has been selected but which will cost \$900,000, the cheaper site being within 5 minutes of the other, does not the gentleman think under present conditions we ought to take the \$25,000 site?

Mrs. ROGERS of Massachusetts. I should say that the gentleman ought to take it up with the Board of Hospitalization and fight it out there. However, I always advocate the saving of money when the same results can be attained and the veterans be given the same care and service.

Mr. RICH. No; we have got enough of these bureaucrats and enough of these people in the Government who are squandering the people's money. We want to stop this, and it is the gentleman's business to stop it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. AUGUST H. ANDRESEN. It has been indicated heretofore that the Hospitalization Board designates the location of hospitals.

Mrs. ROGERS of Massachusetts. That is correct.

Mr. AUGUST H. ANDRESEN. When the late Franklin Delano Roosevelt was President he set aside the action of the Board and located hospitals to suit his own fancy.

Mrs. ROGERS of Massachusetts. I understand there were three hospitals so located.

Mr. AUGUST H. ANDRESEN. If the same process can still be followed, it would seem that the Chief Executive finally decides the location.

Mrs. ROGERS of Massachusetts. I may say to the membership that I do not know whether they want to legislate into an appropriation bill the stopping of the building of hospitals. That is up to them, but I think it is a dangerous precedent. It may be well in this case but it is a dangerous precedent.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has again expired.

Mr. COX. Mr. Chairman, I rise in support of the amendment and ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. COX. Mr. Chairman, I regret the necessity of having taken the responsibility for putting in the pending amendment the language relating to the Tallahassee, Fla., hospital. My situation is such that I felt amply justified in doing this and now feel justified in taking the floor and appealing to you to support the position I take.

If this hospital had been placed at Tallahassee upon any other than political grounds, I doubt if I would take the responsibility of offering this amendment, even though putting it there involves the waste of millions of dollars.

At the time when this Hospital Board in the Veterans' Administration was examining the question as to where the hospital should be placed within the area represented by my friend the gentleman from Florida [Mr. SIKES] to the south of me and myself, a certain political influence intervened and overthrew the judgment and recommendation of experts within the Veterans' Administration and brought about the determination that the hospital should go to Tallahassee in satisfaction of or in fulfillment of a political promise, and for no other reason whatsoever. You will find in the files of the Veterans' Administration a recommendation to the effect that the hospital at Thomasville, Ga., be retained and further developed. In the effort to justify the location of this hospital at Tallahassee, Fla., the Veterans' Administration is junking a magnificent institution located at Thomasville, Ga., 35 miles away. The Thomasville hospital represents an outlay of something in the neighborhood of \$6,000,000.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Florida.

Mr. SIKES. I dislike to disturb the continuity of the gentleman's statement, but he has made the statement that political considerations determined the location of the hospital.

Mr. COX. I make that statement advisedly. My information is reliable. The statement is true.

Mr. SIKES. Will the gentleman identify the person to whom he refers?

Mr. COX. The gentleman is not the person to whom I refer, of course. I do refer, however, to a Floridian who is prominent in Florida and in national political affairs.

I say that in order to justify the discontinuance of the Thomasville hospital they are now contending that Thomasville is not the kind of a place that will attract personnel and that there is not sufficient recreational facilities to make it a desirable place for the veteran to go. Let me say to you, Mr. Chairman, that Thomasville has been attracting people of large means who could visit anywhere in the world that they might desire, and others of lesser means for a hundred years. They go there because it is a pleasant place to live. It has a fine climate and is a beautiful city. It even attracts people from Tallahassee who go there for recreation and for medical care. Thomasville is very nearly as large and is just as attractive as is Tallahassee. It is more of a medical center, and has as much to offer veterans as any other place that I know about where a veterans' hospital is located.

There are within the fifth area, which comprises Tennessee, Florida, Alabama, and Georgia, about 2,500 veterans now on the waiting list, and yet in spite of this fact and in order to justify Tallahassee, the Veterans' Administration is closing the Thomasville hospital that is prepared to render service to these veterans.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. HUBER. The mentioning of the plant at Thomasville as being an excellent building, I understand that that was of temporary construction, a wooden building, and is not fireproof; is that true?

Mr. COX. Thomasville is both wood and brick, both permanent and temporary, but nevertheless it represents a large expenditure; an expenditure, as I say, in the neighborhood of \$6,000,000, and there are those within the Veterans' Administration that recommended that Thomasville be retained; that the temporary buildings be abandoned, and that needed new construction be provided. Still, because of this political interference the Board, or whoever made the decision, was compelled to accept Tallahassee.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. ELSTON. How much will it cost if they abandon the hospital at Thomasville and build a new hospital at Tallahassee?

Mr. COX. You would not realize 2 percent on the Thomasville investment. The Tallahassee hospital, it is estimated, will cost \$4,372,000. The pending bill makes an appropriation of \$1,899,160. All that I am requesting of the House is that they adopt this amendment and delay the construction or the beginning of construction of the Tallahassee hospital in order that there may be a new examination, a new survey, a new determination of the whole question. This is a reasonable request and I submit that that it is what this House should do.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Let me ask the gentleman from Georgia this question: Is not the Thomasville hospital a 1,500-bed hospital?

Mr. COX. I believe it is a 1,700-bed hospital, yes.

Mr. JOHNSON of Oklahoma. And there is this waiting list in the fifth area.

Mr. COX. We have a waiting list in the area of about 2,500. Now, let me say this to you. General Hawley said that they experienced difficulty in obtaining sufficient personnel to meet their needs. Well, there sits before me one of my colleagues who recently, in behalf of two nurses, made application for positions at Thomasville, and he was advised that they had a long waiting list and could not take care of these two graduate nurses.

That is the situation, my friends. With all these veterans on the waiting list wanting hospitalization, here you find the Veterans' Administration in an effort to justify a bad decision, abandoning existing facilities of which use should be made.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. What is the size of the hospital they are anticipating building in Tallahassee?

Mr. COX. A 200-bed hospital.

Mrs. BOLTON. And they are abandoning one having 1,700 beds?

Mr. COX. The Thomasville hospital is around 1,700.

Mrs. BOLTON. Almost 2,000, I believe by actual occupancy.

Mr. COX. Yes. The hospital is still active on a limited basis.

Mrs. BOLTON. And there are doctors in Thomasville who do give their service to these hospitalized veterans.

Mr. COX. That is very true.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we do not pass the gentleman's amendment, then they will construct a hospital at Tallahassee and they will do away with the one at Thomasville; is that the situation?

Mr. COX. That is true.

Mr. RICH. And then the place that they now have for hospital facilities at

Thomasville will be absolutely worthless.

Mr. COX. That is right.

Mr. RICH. That certainly is a foolish thing for anybody to do, is it not?

Mr. COX. I think so, sir.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at the proper time an amendment will be offered to separate the language affecting the Tallahassee Hospital from the language of the pending amendment, in which, of course, it has no proper place.

Mr. Chairman, I dislike very much to find myself in opposition to my distinguished and beloved friend from Georgia, who occupies a place of great influence in this House. However, I believe that if he were in full possession of all the facts he would have hesitated to take the position he did here even though his own district is affected.

Obviously, Mr. Chairman, we cannot select sites for veterans' hospitals on the floor of the House, however much some of us would like to. It would result in a hodge-podge based on political pressure; it would be pork-barrel politics of the worst sort, jeopardizing the lives and well-being of the boys whose welfare is one of our greatest responsibilities. We do not want to take chances on those things. It would result in the exact type of politics the gentleman is objecting to.

If there is a need for the hospital at Thomasville at the moment, I have no objection to its continuing to operate but we are thinking about a long-range program, and we must plan for a long-range program and build for a long-range program which will insure the proper hospitalization for the Nation's veterans. Thomasville General Hospital is a one-story, temporary, nonfireproof structure, of frame construction, with some asbestos siding and shingling and temporary wallboard siding. The type of construction makes the building extremely difficult to heat, and, therefore, it is hard to maintain a comfortable and a safe temperature. It is very costly to maintain that temporary type of structure. Recreational outlets at Thomasville are limited, train service is limited, and there is no air service. Proper staffing of the hospital, according to the Veterans' Administration's testimony is extremely difficult. Actually they say it is impossible. There is insufficient housing accommodations for the staff, and insufficient accommodations for visiting relatives. No transportation facilities are provided to and from the hospital from the city.

By contrast, Tallahassee, a considerably larger city, the capital of the State of Florida, and a cultural, educational, and industrial center for north Florida, offers advantages which this committee cannot afford to overlook and which the Veterans' Administration did not overlook. There are two State colleges of splendid standing which offer library and research facilities important to an institution of this sort. There is north-south and east-west air service. There is more adequate train service. There

are housing and other facilities which were provided in connection with Dale Mabry Air Field, now inactivated.

The temporary hospital at Thomasville was inherited from the Army. It was not designed for permanent operation, and the cost of operation of this structure, according to the testimony that is in the record, would in a short time involve an expenditure almost equivalent to the construction of a new fireproof hospital which is considered to be adequate to the needs of that area in the years to come.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Georgia.

Mr. COX. The gentleman says the record will show that the operation of the hospital at Thomasville is excessively high. If he will examine the record, he will find that prior to the Veterans' Administration starting this effort to make a bad record it ranked as second in economy to any the Army operated.

Mr. SIKES. I submit to the gentleman that all records show that the maintenance of temporary construction is infinitely higher than the maintenance of permanent construction. Maintenance alone at Thomasville will soon cost as much as a new, adequate hospital at Tallahassee.

At Tallahassee we have designed a new fireproof hospital. It is designed for efficiency, designed to give every comfort to the veterans. There is no comparison between the operating cost of a hospital such as the present one at Thomasville and one of the design approved by the Veterans' Administration for construction at Tallahassee.

Mr. KEEFE. Mr. Chairman, will the gentleman yield? I would just like to make a suggestion. I think many Members of the House are exceedingly interested in knowing about this situation and are intrigued by the statement of the gentleman from Georgia that some political considerations have caused this situation and the inference was that some distinguished gentleman from Florida, not the gentleman now addressing us, but someone else, has manipulated this situation. I would like to have the gentleman address himself to that matter.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SIKES. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Chairman, I think I am as familiar with the circumstances involved in the selection of this hospital as anyone present could be. I followed the entire matter throughout the period of selection of site.

The Veterans' Administration was committed to the construction of a hospital in northwest Florida long before Tallahassee was selected as the site for the construction of the building. The area is so located that the veterans liv-

ing there and in the sections of the States immediately adjoining northwest Florida found it difficult to receive hospital attention which they required. They had to travel long distances and go into other States to receive the services to which they are entitled and which we want them to have. The Veterans' Administration has long realized the need for a veterans' facility in that area and committed themselves to the construction of a hospital there long before Tallahassee was selected as the site for its construction.

Tallahassee was actually selected as the site by the Veterans' Administration after a number of communities had offered sites within the area.

For the information of those who are interested, Tallahassee was selected as a site after President Truman took office. This removes the authenticity of the story being whispered here today. I am convinced that no political consideration affecting anyone prominent in politics in Florida today entered into the decision by the board to use the Tallahassee area.

The land for the hospital at Tallahassee has been acquired, costly planning has been completed, and the work of construction is now ready to proceed on the building.

I think it important to point out that there is no assurance that Thomasville could be used or would continue to be used for more than a very limited period, because of the temporary type of construction there, even if the amendment before you were to prevail.

Let me say again we are building for a long-range program. There are many structures such as the one at Thomasville that have been offered to the Veterans' Administration throughout the Nation, but we cannot select sites for veterans' hospitals on the floor of the House. We must depend on somebody who will take into consideration the geographical location, the veterans' population, and the distances to hospitals, and we must follow their advice, we must follow the advice of responsible agencies of our Government if we are to have an orderly program which will adequately provide for the men whose lives and health are now in our keeping.

Mr. Chairman, I trust that the gentleman's amendment will not prevail.

Mr. HENDRICKS. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. TALLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, inasmuch as the discussion in the House at the moment centers around veterans' hospitals, I should like to inform my colleagues of the struggle I have had and am still having, for that matter, in trying to get the Veterans' Administration to make use of a first-rate facility in my district. I refer to Schick General Hospital located at Clinton, Iowa.

This hospital was authorized by the War Department in early 1942. Construction was started in June, most of the buildings were completed by December, and the first patients were admitted in March of 1943. The selection of Clinton as the locale for this Army installation was by no means haphazard. For your information, Clinton is an enterprising, up-to-date city of about 35,000 population located on the Iowa banks of the Mississippi River. It is in the geographical center of an area bounded by Chicago, the Twin Cities, Omaha, and St. Louis. There are excellent transportation facilities—rail, air, and highway—in every direction.

The hospital occupies about 160 acres of land in the northwestern part of the city on the bluffs overlooking the Mississippi. The citizens of Clinton donated some \$85,000 to purchase the site as a gift to the Federal Government. The buildings are two stories high, of cinder block construction with brick veneer, and so arranged that they can be utilized economically in whole or in part as circumstances may warrant.

In addition to medical facilities, the institution has all modern conveniences for the rehabilitation of patients, including a chapel, a Red Cross auditorium, a beautiful swimming pool, a large gymnasium, an outdoor athletic field, tennis courts, a theater, a post exchange, visitors' buildings, and mess halls.

The outstanding war record of this hospital continues to be a source of genuine pride not only to the residents of Clinton but to all the citizens of Iowa and Illinois as well. On several occasions during the war more than 3,000 patients were hospitalized in the wards of this well-equipped institution.

Even before VJ-day I called on the Veterans' Administration to make plans for utilizing these splendid facilities. In response, the Veterans' Administration has engaged in a campaign of evasive, phony excuses suggesting that Schick is not needed and not suitable—and, meanwhile, has gone ahead with plans for a building program calculated to cost many millions at a time when costs are very high because materials and labor are very scarce.

At present I have a bill pending before the House Committee on Veterans' Affairs directing the Veterans' Administration to occupy and use this hospital. The text of my bill, House Concurrent Resolution 26, is as follows:

Whereas hospital facilities used by the Veterans' Administration in Iowa and Illinois at the present time are inadequate to meet the needs of veterans residing in the area of those two States; and

Whereas there are available for use existing facilities owned by the United States Government and known as Schick General Hospital, Clinton, Iowa; and

Whereas these hospital facilities are suitable for use as a modern hospital and are well located for hospitalizing veterans residing in Iowa and Illinois; and

Whereas the State Legislatures of Iowa and Illinois have during the current year adopted resolutions recommending that the Veterans' Administration utilize these hospital facilities: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the judgment of the Congress of the United States

that Schick General Hospital, Clinton, Iowa, be occupied and used by the Veterans' Administration for the care of veterans.

Mr. Chairman, in order to gain firsthand knowledge of the merits of my bill, the Hospital Subcommittee of the House Veterans' Affairs Committee recently sent a delegation consisting of the gentleman from Pennsylvania [Mr. Crow], the gentleman from Texas [Mr. TEAGUE], and the gentleman from Indiana [Mr. MITCHELL] to Clinton to make an on-the-spot inspection of Schick Hospital. The delegation arrived there to find the War Assets Administration, which has temporary control of the property, engaged in disposing of equipment in a ridiculous manner—heating tables valued at \$35 each were being sold for \$1 apiece, beds were being given away, and so forth. It is to the everlasting credit of this committee that prompt action was taken to stop further disposal of this valuable equipment until a decision on the disposition of Schick Hospital has been made by the Congress. Although the delegation's official report has not as yet been made public, I know that all the members were deeply impressed by the substantial construction and splendid facilities of this institution which is available for use by the Veterans' Administration merely for the asking.

Mr. Chairman, Schick Hospital cost the people of the United States something more than \$10,000,000. Yet, it stands idle while hundreds of veterans in Iowa and Illinois, who need medical attention, are being denied hospitalization. In the meantime, despite the high cost of building materials of all kinds, and the acute shortage of some materials, the Veterans' Administration goes ahead with grandiose plans for new construction. This proposed program will not only interfere with the construction of homes for all veterans but will deny immediate hospitalization to disabled veterans who need medical attention now. Is this fair? Is this just? Is this economy? Mr. Chairman, House Concurrent Resolution 26 should be approved in the interest of the veteran who needs hospitalization immediately, in the interest of the taxpayer who needs relief from his tax burdens, and in the interest of ordinary, practical common sense.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HENDRICKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDRICKS to the amendment offered by Mr. SMITH of Virginia: Strike out the following words in said amendment: "or for the purchase or condemnation of a site or erection of a hospital in Tallahassee, Fla."

The CHAIRMAN. The gentleman from Florida is recognized for 10 minutes under the arrangement made as to the division of time.

Mr. HENDRICKS. Mr. Chairman, I hate to find myself in opposition to the position taken by my friend the gentleman from Georgia, [Mr. Cox], or by my friend the gentleman from Virginia [Mr. SMITH], but I find it necessary to bring out the facts before this House this afternoon.

First let me say this is a most unusual procedure, because when the Rules Committee reported the rule they had two things in mind, and this amendment includes those two things. So we are going to permit two members of the Rules Committee to decide about what they want to do about two hospital sites in their respective territories and the other Members of this House are compelled to abide by the decision of the Hospitalization Board. I would not even object to that if it were not for the fact that we are opening the gate for every Member of Congress to come in and say "This location is not proper; I want it in my district." Let me give you a little example. While the gentleman from Georgia was talking I heard a Member say: "Well, if he can do it, so can I. There is a hospital in my area that I do not think is properly located. I think it should be in my district." I heard another Member talking just a moment ago about the improper location of a hospital.

If you adopt this amendment you open the gates to every Member of Congress to come in here and try to change the location of sites already determined for these hospitals.

We went through that process last year. I was chairman of this subcommittee dealing directly with the Veterans' Administration, and I may tell you a personal story, that they intended to locate a neuropsychiatric hospital in the South and in the State of Florida. I had a very fine city that offered a location free of all cost and every other advantage they could think of to induce the Veterans' Administration to bring that hospital into my congressional district. They determined on a different location than we put up, and in spite of all my persuasion they took that hospital out of my district.

I do not think a member of the Rules Committee should be allowed to come in here and change the location of a hospital already decided upon and place it somewhere else where he wants it. That is a matter that should be left to the Veterans' Administration.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I will be glad to yield.

Mr. COX. Does the gentleman realize that under the pending amendment any other Member with a situation on his hands similar to that which is on mine can do the same as I am doing?

Mr. HENDRICKS. I recognize that only too well. That is exactly what I have just said, that we are opening the gate to everybody, and it should not be done.

We should defeat both these amendments. Now, I should like to go a little further. It may seem partisan because I am trying to strike out the last part of this amendment, but I am going to offer an amendment also to the amendment of the gentleman from Virginia to keep this in accordance with what we did last year.

Let me say this to you, Mr. Chairman: Something was said here about a political debt that was being paid. Of course, no names could be called, but everyone got the significance of it. Of course, you are indulging in prejudice; I know that.

I am not always in accord with the gentleman to whom the debt is supposed to have been paid, but I want to say that rumor is absolutely false. In the first place, persuasion could be brought easily by anybody on either side on the Veterans' Administration.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Georgia.

Mr. COX. Does the gentleman say that the statement I made that political considerations did intervene, that it was based upon that premise that the hospital was located at Tallahassee, is false?

Mr. HENDRICKS. I do not say that the gentleman himself is telling an untruth, but his source of information is false.

Mr. COX. The gentleman is ignorant of the facts in the case and if he will take the pains to make an honest investigation he will find that the statement I made is justified by the authority he now seeks to invoke.

Mr. HENDRICKS. I may be ignorant, but I am not so ignorant that I do not know the background of this whole situation and I am going to tell it to you right now.

Everyone knows Judge Tarver, who was a member of the Appropriations Committee. You had great admiration and respect for him. Before it was decided to construct this building at Tallahassee, Judge Tarver made every effort in the world to have the Veterans' Administration take over the hospital at Thomasville, Ga. Every member of the committee wanted to help Judge Tarver and we actually called the Veterans' Administration to go over the thing, review it again and see if it could be done, because we did not want to spend money for any hospital when there was one available that could be used to better purpose. The Veterans' Administration finally said, "We cannot use this, we have no intention of using it as a permanent hospital; we are going to build in Tallahassee, Fla." The committee sustained the Veterans' Administration in spite of their great admiration, love, and respect for Judge Tarver. If we did not do that for Judge Tarver, I do not see why we should do it for my esteemed friend the gentleman from Georgia [Mr. Cox]. Those are the facts in the case.

We had this same situation up last year, and many Members of the Congress, when we were talking about locations, came in and said: "The Army has abandoned this hospital. Why do you not have the Veterans' Administration use it?" I got letters from my district that the Army and Navy had built hospitals there and saying: "Why do you not have the Veterans' Administration use these instead of spending money for new construction hospitals?" The only answer, Mr. Chairman, if you are interested in the welfare of the veteran, is that the Veterans' Administration cannot afford to use these ramshackle, half-frame, half-fireproofed, unheated buildings for the care of the veterans.

In spite of the fact that my friend from Georgia says this hospital is of permanent construction and is fireproof,

the Veterans' Administration reported to us last year, because we asked for a report on the condition of every hospital, that hospital is built of gypsum blocks and asbestos shingles. In the hearings this year the gentleman from Texas [Mr. THOMAS] asked General Hawley about this. I did not ask one single question. I did not know this amendment was coming up. The gentleman from Texas asked about the difference in cost between the Thomasville hospital and the Tallahassee, Fla., hospital. General Hawley pointed out the defects in the Finney Hospital and said it could not be properly heated, that the cost of that hospital within 6 years would be more than the construction cost of the hospital in Tallahassee, Fla., and remember, Mr. Chairman, this is not a program of the moment. If this were an emergency I would say, "Use any hospital until we can do something better," but it is not a program of the moment. We will not reach the peak of our hospitalization until 1970. You will have something like 30 years yet and you have to use these buildings. In 30 years the Finney Hospital will cost five times what a new hospital under one roof, built for the purpose of taking care of these veterans in a proper manner, giving them proper heat and light, air conditioning and the things that they need, will cost. It will cost five or six times as much. The whole point is, as I say to you again, that the Committee on Appropriations went over this thing last year. We followed a certain procedure. We made it clear to the House, and I made it clear in my statement on this bill last year, that whenever any Member of Congress was dissatisfied with the location of a hospital, that they were to report it to the committee and we would take it up with the Veterans' Administration, hold hearings, and decide what was to be done. That is exactly what ought to be done with these two sites, including both Tallahassee and the one in Virginia. I am offering the amendment to strike out the one in Tallahassee for the simple reason that the Veterans' Administration has reported to us that they never intended to use Thomasville as a permanent hospital. It would be unsuitable. It is not fireproof. Those are the simple facts of the matter, my friends.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Florida.

Mr. SMATHERS. I would like to ask the gentleman if he thinks it is fair or proper for one gentleman, who makes a good case as to why a hospital should be placed in a certain place in his district, to go further and add to his amendment an objection to a site in somebody else's State 800 miles away and try to say in that amendment that a hospital should not be built in a location in that district outside of his own.

Mr. HENDRICKS. I do not think the two amendments should ever have been combined at all. I hope that this amendment I offer is adopted, after which I propose to offer another amendment to the amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. HENDRICKS] to the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. HENDRICKS) there were—ayes 45, noes 48.

Mr. HENDRICKS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HENDRICKS and Mr. Cox.

The Committee again divided, and the tellers reported that there were—ayes 48, noes 69.

So the amendment to the amendment was rejected.

Mr. HENDRICKS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDRICKS to the amendment offered by Mr. SMITH of Virginia: At the end of said amendment insert "until the Committee on Appropriations of the House of Representatives has investigated and given final approval."

Mr. HENDRICKS. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Virginia may be read as modified by my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as modified by the amendment offered by Mr. HENDRICKS: On page 51, line 20, strike out the period and insert a semicolon and the following: "Provided further, That no part of the funds appropriated in this bill or any funds heretofore made available, including contract authorizations, shall be used for the purchase or condemnation of the site or for the erection of a hospital on the tract of land in Arlington County, Va., known as the A. M. Nevius tract, situated at the intersection of Lee Boulevard and Arlington Ridge Road, containing approximately 25.406 acres; or for the purchase or condemnation of the site or erection of a hospital in Tallahassee, Fla., until the Committee on Appropriations of the House of Representatives has investigated and given final approval."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the amendment offered by the gentleman from Virginia.

Mr. SMITH of Virginia. I have no objection to the amendment, Mr. Chairman.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. WIGGLESWORTH. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPRINGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WIGGLESWORTH. Mr. Speaker, I move the previous question on the bill, and all amendments thereto, to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

JUVENILE COURT OF THE DISTRICT OF COLUMBIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 329)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with accompanying papers, referred to the Committee on the District of Columbia and ordered printed, with illustrations:

To the Congress of the United States:

I transmit herewith for the information of the Congress a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court for the fiscal year ended June 30, 1946.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 18, 1947.

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include two articles and a speech by Mr. Joseph E. Casey.

Mr. GORE asked and was given permission to revise and extend the remarks he made earlier today, and to include certain tables.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech made by Mr. Henry A. Wallace last night. I have been advised by the Public Printer that the cost will be \$189.34. Notwithstanding, I ask that the extension be made.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD.

Mr. PETERSON asked and was given permission to extend his remarks in the RECORD and include Senate Concurrent Resolution No. 7 of the Florida Legislature.

Mr. SMITH of Virginia asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include certain letters.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper article.

Mr. VAN ZANDT (at the request of Mr. PHILLIPS of California) was granted permission to extend his remarks in the Appendix of the RECORD.

PERMISSION TO FILE REPORT BY WAYS AND MEANS COMMITTEE

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight on Friday of this week within which to file a report on the bill H. R. 3861.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

WAR DEPARTMENT ENLISTMENT BILL

Mr. ANDREWS of New York. Mr. Speaker, on Tuesday the House passed the bill H. R. 3303, the so-called War Department enlistment bill. The Senate passed Senate 1213, striking out all after the enacting clause in the House bill and substituting the Senate provisions. By motion of the Senate today, they request a conference. That is being messaged over to the House. I move that we agree to the conference and that the Speaker appoint conferees.

The SPEAKER. The Chair would inform the gentleman from New York that the papers have not yet arrived, and the request to agree to the conference and appoint conferees is not in order at this time.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an editorial from the Washington Post, and in the other to include an editorial from the Washington Post and some remarks by Vicente Villamin.

Mr. TABER asked and was given permission to extend his remarks in the RECORD and include certain tables which he had prepared.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and to include a speech by the wife of the Ambassador from Brazil.

Mr. ROHRBOUGH asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIZLEY (at the request of Mr. SCHWABE of Oklahoma) was granted permission to extend his remarks in the Appendix of the RECORD.

REORGANIZATION PLAN NO. 3

Mr. HOFFMAN. Mr. Speaker, I move that the House proceed to take up House Concurrent Resolution 51, which does not favor Reorganization Plan No. 3 of May 27, 1947, and, pending that motion, I ask unanimous consent that the resolution may be considered in the House as in the Committee of the Whole and that general debate be limited to 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th day of May 1947.

The SPEAKER. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Speaker, I understand there is no objection to this resolution.

I yield to the gentleman from Alabama [Mr. MANASCO], ranking minority member of the committee, to explain the resolution and any opposition, if any there be.

Mr. MANASCO. Mr. Speaker, a similar plan was sent up during the Seventy-ninth Congress and rejected by the House.

This plan reorganizes the housing agencies of the Government. Our committee thinks these agencies should be reorganized but we do not think the lending and insuring agencies should be placed in the same organization with the construction agency.

I have no requests for time on this side. That is the only issue involved.

Mr. HOFFMAN. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to. A motion to reconsider was laid on the table.

DISPOSAL OF WAR HOUSING

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3492, to provide for the expeditious disposition of certain war housing, with Mr. SCHWABE of Oklahoma in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, June 12, the Clerk had completed reading section 4 and

there was pending an amendment offered by the gentleman from Alabama [Mr. RAINS].

Without objection, the Clerk will again report the Rains amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. RAINS:

On page 4, immediately following section 4, add the following new section:

"Transfer of war housing to the War or Navy Department.

"SEC. 5. Notwithstanding the provisions of this act or any other provision of law, the Administrator may in his discretion upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Department any war housing that may be considered to be permanently useful to the Army or Navy."

Remember sections 5, 6, 7, 8, 9, and 10, as sections 6, 7, 8, 9, 10, and 11, respectively.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Rhode Island.

Mr. FORAND. Mr. Chairman, the purpose of my asking the gentleman to yield to me now is that before the Committee rose the last time we considered this bill there was considerable confusion in the House. I rose and made a point of order with the intention first of all of calling attention to the fact I had an amendment to the body of the section which should be considered ahead of the amendment offered by the gentleman from Alabama; however, there was so much confusion my point was made that the House was not in order and before I could obtain recognition the Chair recognized the gentleman from Michigan [Mr. Wolcott] and the Committee rose. As a parliamentary inquiry, Mr. Chairman, I want to know whether or not my amendment can be considered following the amendment offered by the gentleman from Alabama [Mr. RAINS] or will I be deprived of the opportunity to offer my amendment if the gentleman from Alabama [Mr. RAINS] proceeds?

The CHAIRMAN. The Chair holds that the gentleman's amendment will be in order following consideration of the amendment offered by the gentleman from Alabama if it is in connection with the preceding paragraph.

Mr. FORAND. It is in the body of that section.

The CHAIRMAN. The Rains amendment will then be held in abeyance pending action on the gentleman's amendment.

Mr. FORAND. Therefore I get recognition and Mr. RAINS follows.

The CHAIRMAN. The gentleman from Alabama [Mr. RAINS] has the floor. The gentleman will succeed him in recognition.

Mr. FORAND. I will not be precluded from offering my amendment?

The CHAIRMAN. No; the gentleman will not be precluded.

Mr. RAINS. Mr. Chairman, I have offered the amendment which you have heard read in the interest of preserving certain war housing for the Army and Navy. First of all may I say that, in my judgment, this bill in some respects is a good bill and in some respects it very

much needs amending. I may say also that I do not rise with any idea of preserving war housing for the Army and Navy in my district, because I have none. If you will read this bill carefully you will find it does five specific things. Among the things not mentioned it does this: It would eliminate the provision now contained in the Lanham Act permitting the transfer of permanent projects to the War and Navy Departments.

I want to read to the Committee, if I may, a letter from the Secretary of War addressed to the Speaker:

The SPEAKER,

House of Representatives.

DEAR MR. SPEAKER: It has been noted that H. R. 3492, a bill "to provide for the expeditious disposition of certain war housing and for other purposes," introduced on May 15, 1947, has been reported out of the committee by Report No. 414, dated May 21, 1947, and was referred to the Committee of the Whole House on the State of the Union.

The purpose of H. R. 3492 is to transfer the functions of the National Housing Administrator and the National Housing Agency to the Federal Works Agency, effective upon enactment of the bill. The Administrator is charged with selling for cash prior to December 31, 1948, all housing projects so transferred and to give preference to veterans for the purchase of this housing.

Housing is one of the major shortages of the Army and one which vitally affects morale. Under the types of housing to be transferred fall many projects which currently have been requested of the National Housing Administrator to be transferred to the War Department. Approximately 24 of these projects are in the hands of the National Housing Administrator for final action. In addition, eight other projects are under consideration by the War Department for ultimate transfer. If H. R. 3492 is enacted in its present form the War Department would be deprived of many projects sorely needed for family housing.

It is pertinent to note that upon transfer of these projects to the War Department under existing law, tenants who are currently occupying the units are permitted to remain and are not evicted except for legal cause. As the projects requested by the Department for transfer are situated at or near active military installations, it has been found that at least 50 percent of such projects are available for occupancy by military personnel.

Inasmuch as the War Department was not requested for comments on this measure while it was being considered by the committee, it is recommended that the attached amendment be considered by the House when this measure is under consideration. The amendment would merely permit the continuance of existing law which authorizes transfers to the War and Navy Departments of such projects as may be determined to be permanently useful to the Departments concerned.

I understand informally that the Secretary of the Navy is making a similar recommendation to you.

Due to the lack of sufficient time, this report is submitted without a determination by the Bureau of the Budget as to whether it conforms to the program of the President.

Sincerely yours,

Secretary of War.

Mr. Chairman, I should like to call the attention of the committee also to the fact that neither the War nor Navy Department was given permission or did appear before our committee or had

an opportunity to appear, not knowing what the provisions of the bill were to be.

I would also like to call the committee's attention to the following letter, addressed to the gentleman from New York [Mr. Andrews], chairman of the Armed Services Committee, by Mr. John Nicholas Brown, Acting Secretary of the Navy, in which he states that available funds are inadequate to meet the over-all problem for new construction and that many of these very buildings which we are now taking away from the Army and Navy were built by funds appropriated to the Navy:

THE SECRETARY OF THE NAVY,

Washington, May 26, 1947.

HON. WALTER G. ANDREWS,

Chairman of the Committee on Armed Services, House of Representatives.

MY DEAR MR. CHAIRMAN: The Navy Department has noted the introduction of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes. This measure was reported to the House of Representatives from the Committee on Banking and Currency on May 21, 1947 (Rept. No. 414) and was committed to the Committee of the Whole House on the State of the Union.

The purpose of the measure is to provide for the disposition of permanent housing accommodations constructed under authority of the so-called Lanham Act (Public Law 849, 76th Cong.), as amended; Public Law 781, Seventy-sixth Congress; Public Laws 9, 73, and 353, Seventy-seventh Congress; and Public Law 140, Seventy-eighth Congress. The task of supplying these needed housing accommodations under the Lanham Act was delegated to the Federal Works Administrator when that act became law on October 14, 1940, and was subsequently transferred to the National Housing Agency pursuant to Executive Order 9070 of February 24, 1942, which agency exercises jurisdiction at the present time through the Federal Public Housing Authority.

Existing law governing disposal of war housing under the control of the Federal Public Housing Authority authorizes the Administrator of that agency to transfer to the jurisdiction of the War and Navy Departments such housing as may be considered to be permanently useful to the Army or Navy, when the respective Secretaries request such transfer. These transfers have been made without an exchange of funds, and although not specifically required by the Lanham Act, it has been the policy of the National Housing Agency to extend priority to the armed services over disposition to non-Federal interests.

The measure under consideration does not authorize transfers to the War and Navy Departments without exchange of funds on a priority basis. The acquisition of war housing for families of naval personnel, pursuant to the transfer provisions now contained in the Lanham Act, is of major importance in meeting the Navy Department's housing requirements for married enlisted personnel and junior officers during the postwar period. If authority to acquire such housing without exchange of funds is terminated, or not provided for as in the case of H. R. 3492, the Navy Department will lose the opportunity to obtain housing facilities considered permanently useful to its shore establishments.

Naval personnel are ashore for comparatively brief periods of time during their careers in the service. It is essential to their morale that they have an opportunity to be with their families during the time they are assigned to duties ashore. Available funds are inadequate to meet this over-all problem by new construction. Consequently, acquisition of federally owned housing which has

been terminated for war use must be undertaken to meet permanent requirements without the necessity of further appropriating public funds for this purpose.

The Navy Department has submitted a list of war-housing projects desired for transfer to the Administrator of the National Housing Agency. Many of these projects were constructed with funds originally appropriated to the Navy Department and are occupied by naval personnel. Enactment of H. R. 3492 would result in the disposal of these projects to non-Federal interests, whereas the facilities are still required for the purpose for which they were originally authorized and constructed.

In view of the foregoing, it is requested in order to protect the interests of the War and Navy Departments, and in the interests of economy, that the following amendment be presented from the floor in the event that the House of Representatives considers the bill H. R. 3492:

On page 4 immediately following section 4 add the following new section:

"TRANSFER OF WAR HOUSING TO THE WAR OR NAVY DEPARTMENTS

"SEC. 5. Notwithstanding the provisions of this act or any other provision of law, the Administrator may, in his discretion, upon the request of the Secretaries of War or Navy, transfer to the jurisdiction of the War or Navy Departments any war housing as may be considered to be permanently useful to the Army or Navy."

Renumber sections 5, 6, 7, 8, 9, and 10 as sections 6, 7, 8, 9, 10, and 11, respectively.

It is understood that the Secretary of War is forwarding a similar proposal for your consideration.

The Navy Department has not been advised by the Bureau of the Budget as to the relation of this report to the program of the President.

Sincerely yours,
JOHN NICHOLAS BROWN,
Acting Secretary of the Navy.

So I say to the Committee simply that I can see no rhyme or reason in taking away from the Army or Navy much needed buildings in nearby installations of the Army and the Navy. I can see no reason for taking from the Army and Navy Departments the buildings they need, and for that reason I submit that there should be an amendment as such adopted to this bill which would retain for the Army and Navy the benefits they now have under the Lanham Act. I have no other reason except to say it does not make sense to take away from the Army and the Navy those houses which we allowed them to get under the Lanham Act.

The CHAIRMAN. Further action on the Rains amendment will be withheld for the time being, and the gentleman from Rhode Island [Mr. FORAND] is recognized.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: Page 4, line 5, after the word "project" strike out the period and insert "except that municipalities in which such housing projects are located such municipality or a local housing authority thereof shall have 90 days from the day of the passage of the act in which to exercise priority of purchase of such housing project as a single unit: *Provided*, That the transferee shall agree for itself, its successors, transferees or assigns that until December 31, 1951, families of veterans and servicemen (as defined in the Lanham Act) shall be given a preference for all vacant dwelling units."

Mr. FORAND. Mr. Chairman, this amendment, I believe, is very clear. It does but one thing. It gives priority either to the city or the Housing Authority to purchase as a unit a project within their own locality and it gives them priority of purchase of the whole project as a unit.

Now, there are several projects throughout the United States that come within this category. I have one in my own State. All the veterans' organizations, as well as the city administration, that is, the city council, have asked that the opportunity be given to the city or to the Housing Authority to purchase that project as a unit so that they would not be disturbing those people who live in them now, most of whom are veterans. They have gone so far as to ask the State legislature, and obtained permission from the legislature, to float bonds for the purchase of this project.

This project I have in mind is in the city of Newport, and those of you who were here in the last Congress know the many headaches we had in that city in the past as the result of the activities of some of our Government departments. There has been a constant state of uncertainty on the part of the people of Newport as a result of the closing down of the naval torpedo station. Many veterans, both veterans of World War I and World War II, were employed at the torpedo station and lived in this project known as Tonomy Hill. There is great fear that if there is to be a sale made piecemeal, that some group, some organization, using the veterans as a front, will find ways and means of obtaining possession of this project and the result will be that many of the veterans—and there are three-hundred-and-seventy-some-odd units in the project—will find themselves out on the street with no place to go because housing is very, very short in that territory. For that reason, Mr. Chairman, I hope the committee will accept this amendment.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. If the city acquires the property, the city can then turn around and deed it to the veterans.

Mr. FORAND. Not under the provisions of the agreement called for in my amendment, because there is a proviso that the transferee shall agree for itself, its successors, transferees, or assigns, that until December 31, 1951, families of veterans and servicemen, as defined in the Lanham Act, shall be given a preference for all vacant dwelling units.

Mr. ALLEN of Louisiana. That is for rental purposes, but how about the sale? Cannot the veteran buy some of that from the city?

Mr. FORAND. Perhaps that could be worked out eventually, but at any rate they will be protected for the present.

Mr. Chairman, I hope my amendment will be adopted.

Mr. WOLCOTT. Mr. Chairman, the amendment should not be adopted for several reasons. In the first place, these municipalities, had they wanted to buy these properties for other than low-rent use, have had nearly 2 years in which to

do so. It is improbable that a municipality which has not acted up to the present time would do so for any purpose than possibly to defeat the very purpose of this act.

I realize that in respect to most of these projects there are local conditions which presumably must be met, but we cannot legislate for all these projects to meet one particular condition; we cannot let the exception prove the rule. We have laid out a program which would apply best and most equitably to all the projects which have to be disposed of.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Rhode Island.

Mr. FORAND. The only reason the people of Newport did not act before now is that under our State law they could not obtain the funds. They have applied to the State legislature and now have permission to float bonds for the purchase of the project.

Mr. WOLCOTT. This may be an unfortunate case, but I do not see any reason why we should delay the disposal program for 3 years to accommodate any particular community. That is the point. This program primarily is to get housing, good housing, as cheaply as possible for as many veterans as possible. Although the gentleman's amendment would seemingly reserve these properties for veterans for 3 years, they would be reserved for that short period of time only for rental purposes. These properties are depreciating every day. The market is changing. This program has a termination date on it, for the very reason that we can foresee that the program we have set up at the present time for the present disposal of these properties may not apply 3 or 4 years from now.

The committee has given much time and consideration to this bill, and we have done the most equitable thing we could do in respect to all the communities. I hope the amendment is not agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The question was taken; and on a division (demanded by Mr. FORAND) there were—ayes 30, noes 56.

So the amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentleman from Rhode Island a question. Did I understand you to say that the city of Newport was unable to take advantage of the opportunity of purchasing projects in Newport due to certain restrictions that existed from a legislative angle?

Mr. FORAND. Yes; because of their financial situation, it was necessary for them to obtain permission of the legislature to float the bonds necessary to raise the money to purchase the project.

Mr. McCORMACK. And if I understand the gentleman, legislative action in the State of Rhode Island was necessary before the city of Newport could take any action at all?

Mr. FORAND. That is correct.

Mr. McCORMACK. Can the gentleman advise the House as to when that action was taken by the legislature of Rhode Island?

Mr. FORAND. In the latter part of May.

Mr. McCORMACK. The city of Newport is desirous of having a project or projects located in Newport which come within the purview of this bill?

Mr. FORAND. The Tomony Hill project comes within the purview of this bill.

Mr. McCORMACK. Does the gentleman state that the city of Newport desires to purchase this project?

Mr. FORAND. Both the city and the housing authority of the city of Newport are anxious to get it. They do not care which one gets it but neither one could purchase it until the State legislature took action. That action was taken in the latter part of May.

Mr. McCORMACK. In other words, the city of Newport, desiring to purchase the project, was unable to do so because it did not have the authority in relation to the issuance of bonds; is that correct?

Mr. FORAND. That is correct.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

There is nothing in the bill to prevent the sale of this property to the city of Newport or to the municipality after the time in which the veterans may exercise their priorities terminates. In other words, after 180 days. If no veteran wants to buy this property, then the city can buy or anybody else can buy it.

I might say also if this bill is enacted there is nothing to prevent the city of Newport from buying it for low-rental purposes if they want to, and under existing law there is that provision.

Mr. McCORMACK. Mr. Chairman, I would like to get some information on this. It seems to me that we should try to give municipalities an opportunity of purchasing these projects if the municipality desires to do so, and the purpose of my taking this time was to develop the facts.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FORAND. As the gentleman says, there is nothing to prevent the city from purchasing the property after everyone else has exercised their option in the list of preferences, but by that time the city will not be able to purchase the project as a single unit and, therefore, make it possible for them to operate it economically as a single unit.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. It has been called to my attention that the city of Newport could not buy this property without the further action of the Congress under existing law anyway, it being reserved under an agreement with the FPHA for transfer to the city for low-rental purposes. When I say being reserved, I mean that sometime in the future you or the city of Newport would have to come to Congress to get specific authority to buy this property for low-rental purposes. There has been reserved more property than is being disposed of. That is the complaint

that was made here the other day. Ordinarily, under existing law, you would have to come to Congress to get specific authority to buy this for such purposes. Under this act, you will not. If this bill is enacted, you can buy it subject, of course, to these priorities. I do not see that the town of Newport is in any different position than any other locality so far as that is concerned. There are something like seven-hundred-and-some-odd projects. I do not know the exact number, but there are hundreds of them anyway that are being reserved for this very purpose. There is no difference between the city of Newport and any of these other localities.

Mr. McCORMACK. If I understand my friend from Michigan correctly, with the passage of this bill the city of Newport will be able to have an opportunity of purchasing this project after 180 days have elapsed. Is that correct?

Mr. WOLCOTT. That is right, if no veteran wants to buy it.

Mr. McCORMACK. What groups would have the right to purchase within the 180 days?

Mr. WOLCOTT. Of course, I am not acquainted with the type and character of the property. If a unit can be split up into individual units, or if they are units for one, two, three, or four families, then the veteran occupant has first priority. The second priority is veteran nonoccupant; and then the nonveteran tenant has the third priority.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WOLCOTT. Then, next, organizations; corporate groups of veterans, who desire to buy the property for veteran occupancy, or who act as local agent for those who are buying property for occupancy by veterans.

The priority in each of these different classifications must be exercised as they have been graded, in 30, 60, 90, and 180 days. So that all priorities must have been exhausted at the end of 180 days, and the properties are open then, and the city of Newport, or anyone else who can negotiate a bid with the Federal Public Works organization can buy them, and can buy them without this restraint of having to come back to Congress to get specific authority.

Mr. McCORMACK. There are other groups outside of veterans who would have priority before the city?

Mr. WOLCOTT. No; just one. When the property has been sold for single occupancy, then the third priority is the present tenant who may not be a veteran. But the highest priority is given to the veteran occupant. The second highest is given to the veteran nonoccupant, and the third is to the tenant.

Mr. McCORMACK. And then the city would come after that?

Mr. WOLCOTT. No. Then veteran organizations who wanted to buy the

property for occupancy by veterans whom they represent.

Mr. McCORMACK. I yield to the gentleman from South Carolina [Mr. FOLGER].

Mr. FOLGER. The matter I had in mind has been answered by the chairman. These priorities are for veterans, in one category or another?

Mr. WOLCOTT. That is correct.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FORAND. It boils down to this, does it not, Mr. Chairman, that the city of Newport, if I understood you properly, is not in a position to purchase today, because of existing law.

Mr. WOLCOTT. That is right.

Mr. FORAND. But the city of Newport will have to wait until all other priorities have been exhausted before they will be eligible to purchase?

Mr. WOLCOTT. Yes, sir.

Mr. FORAND. And therefore everything will be gone by that time.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

We will now revert to the Rains amendment.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, many Members of Congress have been receiving letters and telegrams protesting the provision relating to low-rent housing in the Government corporations bill—H. R. 3756—for the fiscal year 1948. Also, I have examined with great care the CONGRESSIONAL RECORD of June 11, 1947, with particular reference to the comments of the Administrator of the Federal Public Housing Authority concerning the effect of this bill. I am likewise cognizant of some press comment to the effect that the action of the House imperils low-rent housing.

I desire to clarify for the benefit of all concerned the effect of the House action, and I shall comment specifically on statements made by the Administrator of the Federal Public Housing Authority.

Concerning the matter of failure to clear slum areas, the FPHA states they know of no evidence to support a statement that slum clearance has been almost completely ignored, and the statement was made that as of June 30, 1946, 90.8 percent of the eliminations had been made.

I invite attention to the fact that they state they "know of no evidence" to support the statement of the committee's investigators that slum clearance has been ignored.

This is their saving clause and is typical of the deceitful half-truths and innuendo with which this agency has confronted our committee.

The Administrator of FPHA fails to elaborate and explain that of the eliminations he mentions—none of which, incidentally, have ever been inspected by his agency—only a small percentage have been accomplished on a slum site. He fails to point out that approximately 65,000 of these alleged eliminations have been accomplished by adding up houses

demolished in the community or improved by adding facilities not previously available.

In other words, these eliminations would have occurred in the natural course of events and were not influenced, encouraged, or dictated by the terms of the United States Housing Act. These facilities were personally inspected by the committee's investigative staff. A motion picture was made of representative ones proving conclusively that the eliminations were made in five residential communities, were isolated units, and do not constitute a slum in the usual definition of the word. For the edification of the Administrator, I would like to quote Webster's definition of slum, and I suggest the FPHA make the same required reading: "A thickly populated street or alley marked by squalor or wretched living conditions."

I suggest to the Administrator that he ask the owners of properties brought up to standard if they feel the above definition describes their homes. I warrant they would be righteously indignant if they knew that their names and addresses appeared in the files of the FPFA as examples of slums that had been cleared by low-rent subsidized housing.

FPFA goes on to attempt to explain their accounting deficiencies, and I refer to the following excerpt from page 6838 of the RECORD of June 11 for an example of the double talk that attempts to justify the most deplorable accounting presently in Government:

Inquiry: Some FPFA records were in such an "atrocious condition" that a reputable accounting firm declined to audit them.

Comment: On April 30, 1947, the Comptroller General submitted to the Congress a report of a survey of the accounting system of the Federal Public Housing Authority. This survey was made by Price, Waterhouse & Co., a New York firm of independent public accountants, who made the study under the direction of the Corporation Audits Division of the General Accounting Office.

The report of Price, Waterhouse & Co. said: "Our review of the bookkeeping records and financial reports of FPFA has disclosed serious deficiencies in the accounting procedures and in the performance of the bookkeeping work and a resultant lack of accounting control over the assets, liabilities, income, and expenses of the various programs."

The survey was made in the summer of 1946 and was concerned with the accounts for the years ended June 30, 1945, and June 30, 1946. Examination of these accounts necessarily directed major consideration to records and conditions of accounts as they existed in the years before 1946.

FPFA has been fully aware of these shortcomings and has instituted corrective action on its own initiative. Reports of its own Audits Division have pointed out deficiencies and remedial action was begun more than a year before the survey made by Price, Waterhouse.

There were two major reasons for the weaknesses reported in the survey:

1. When FPFA was created in 1942, several types of programs previously administered by other Government agencies were transferred to it. The varied records of these programs had to be brought together and integrated into one accounting system. This huge task is still being carried on.

2. In the period covered by the survey, FPFA used an accounting system suitable for activities carried on with appropriated funds but not suited to the commercial type of op-

erations FPFA was assigned in its war housing programs.

The difficulties presented by this situation were reported by Price, Waterhouse as follows: "Accounts and records for the fiscal year 1945 and prior years were maintained under regulations promulgated by the Comptroller General a number of years ago. * * * This procedure provides for appropriation and fund accounting. * * * However, in the form prescribed, the procedure is not well suited to commercial operations such as those conducted by FPFA, nor does it lend itself to the preparation of statements showing financial position and the results of such operations."

The fact that FPFA had recognized the existence of deficiencies and had taken steps to correct them as early as 1945 is attested by the Price, Waterhouse report:

"The present management [of the Authority] recognized that the accounts and procedures in use in 1945 were inadequate and, at the beginning of the fiscal year 1946 (i. e., July 1, 1945), adopted a revised accounting manual and revised procedures intended to provide both for appropriation accounting as prescribed by the Comptroller General and for financial accounting in the ordinary commercial sense."

Price, Waterhouse stated the opinion that these revised procedures should enable the agency to reconstruct its accounts for the fiscal year 1946 to the extent necessary to prepare an adjusted financial statement suitable for examination. The accountants suggested, however, that this would take time and effort disproportionate to the probable benefits, a view shared by the General Accounting Office.

The deficiencies noted in the report do not involve loose handling of cash or disbursements. This fact is clearly stated by Mr. T. Coleman Andrews, director of the GAO Audits Division, in his letter of April 30, 1947, transmitting the Price, Waterhouse report to the Comptroller General. He wrote:

"The foregoing statement [of deficiencies] is not intended as an implication that there has been laxity in the handling of cash receipts and disbursements. A system of internal control of these is and has been in existence, which should minimize any irregularities in connection with the handling of cash items. The deficiency noted is one of inadequacy of general accounting policies and poor bookkeeping."

Although the substance of the report is concerned with accounts of 1945 and earlier years, Mr. Andrews made this comment concerning the present accounting work of the FPFA:

"The preliminary work now being carried on by this [GAO's Corporation Audits] Division has demonstrated that considerable progress has been made in clearing up old errors and discrepancies and that the recording of current transactions is being carried on in an intelligent, reasonably accurate, and satisfactory manner."

The Administrator likewise comments that the number of ineligible tenants has been greatly reduced and requires every local authority to remove 5 percent of its ineligible tenants each month. He fails to explain that this policy has only recently been developed and as a direct result of the inquiry directed by this committee. He further fails to explain that the ineligible are being reduced by the simple expedient of raising income limits both for occupancy and continued occupancy to cover present earnings of tenants. The hearings before the subcommittee for Government corporations detail many families earning enough to pay economic rents which would permit them to live in privately owned housing. As an

example of the paternalism of the agency, consider that average earnings of tenants in the Public Law 412 program is \$2,129. Remember this is an average and is supposed to constitute the lowest income earners in America.

Concerning the success or failure of the veterans' housing program, I suggest the veteran be the judge of this and I speak as one of them who has lost faith in this agency of Government. Consider further that this agency had the effrontery to deny preference to the veteran in the sale of war housing necessitating action by Congress to place this important function in the hands of an agency which properly appreciates the debt we owe to the veteran.

Let me say at this point that there is some indication that the personnel of the Federal Public Housing Authority, either directly or indirectly, has precipitated the mass of protests which the members have been receiving. There is a striking similarity in the telegrams and letters that have been received, and this along with reports which have come to my attention leads me to believe that we may be confronted with a situation which is as disgraceful as the campaign recently conducted by certain of the employees of the Bureau of Customs. If my information proves to be accurate, I intend to do everything in my power to have persons violating the law, which prohibits using public funds to influence the course of legislation, properly dealt with by taking up the matter with the Department of Justice.

Low-rent housing provides dwelling space for persons in low-income categories on the basis of what such persons can afford to pay as rental, and not on the basis of the total cost of providing such space. Under this system, persons of limited income are provided with housing of a better type than they otherwise could obtain. Low-rent housing projects under the jurisdiction of the Federal Public Housing Authority may be divided, for purposes of this discussion, into two categories. The first is those housing projects which are owned by the Federal Government or its agencies. The second category embodies housing projects owned by public agencies other than those of the Federal Government. In both of these types of housing, the Federal Government makes a contribution toward providing dwelling accommodations for persons of low income. In the case of federally owned projects, the cost of erecting the buildings was met by Federal funds. Such funds are not required to be repaid and therefore no annual contribution is necessary to make up operating deficits which would otherwise be occasioned by charging low rentals to tenants. This type of housing however, is subsidized by the Federal Government just as much as though annual financial grants were provided.

In the act of September 1, 1937, which created the United States Housing Authority, it is provided that property owned by the Authority is to be exempt from all taxes; Federal, State, municipal, or otherwise. However, payments in lieu of taxes with respect to property owned by the Authority are authorized by the United States Housing Act, Public Law

412, Seventy-fifth Congress, up to the amount of taxes that would be paid to the State or its political subdivisions upon such property, if it were not exempt from taxation. Obviously, in making its recommendations to the House, the Committee on Appropriations did not raise objections to the payment of sums in lieu of taxes in instances where such payments are authorized by law.

Property owned by public agencies other than those of the Federal Government may be taxed by municipalities or States according to their legislative decision. The so-called locally owned low-rent housing projects fall into this latter category. These housing projects are constructed and operated by local authorities under the supervision of the Federal Public Housing Authority, and the finances are provided either by the sale of bonds which are fully guaranteed as to both principal and interest by the Federal Government or which are purchased and held by the Federal Government. In order that the tenants might occupy such housing, even though they are unable to pay the amount necessary to pay off the bonded indebtedness and provide funds for operating these projects, the Federal Government makes annual contributions in an amount equal to the difference between the operating expenses, including amortization of capital investment and operating income, plus contributions made by local authorities. Obviously an increase in operating expenses necessitates an increase in the Federal contributions. No question was raised as to the legal right of States or their political subdivisions to impose taxes upon locally owned low-rent housing projects. However, the committee was, and is, concerned with insuring that Federal funds, in the form of contributions to maintain the low-rent character of locally owned housing projects, is used only in accordance with the intent of the Congress as expressed in legislation.

The FPHA made an administrative determination without legislative authorization that locally owned low-rent housing projects could make voluntary payments in lieu of taxes in addition to the contractual amount and that such could be charged in computing the Federal subsidy. In some instances the original contracts between the Federal Public Housing Authority and the respective local projects permitted payments to be made in lieu of taxes. The committee, in effect, recommended that these original contracts should govern in determining whether payments in lieu of taxes might properly be considered in computing the subsidy in fiscal 1948.

Thus, the action of the House merely means that subsidy funds may not be used to make payments in lieu of taxes in excess of a contractual agreement unless earnings were available.

Low-rent housing was originally provided for by Congress as a local benefit, and in consideration of such housing the community was to waive taxes as their fair share in the venture. The committee has not asked that the original intent of the Housing Act be adhered to. It merely recommended the prohibition of voluntary contributions above this amount only where the Federal subsidy

is involved. Contributions up to full taxes may still be paid if earnings are available. Nothing could be more reasonable at this time.

It is unfortunate that the budgets and revenues of municipalities have become adjusted in recent years to receiving such payments in lieu of taxes. As pointed out, these payments are not authorized by law, and in advising local housing projects that they are legal, the officials of the FPHA have taken the law unto themselves. These Federal officials must now answer for their own actions, and I suggest that municipal officials whose budgets are affected turn their complaints against the proper parties rather than against their elected congressional representatives.

I desire also to comment upon another aspect of low-rent housing which was affected by the Government corporations appropriations bill. Locally owned housing projects now hold reserves, principally in the form of Government bonds, aggregating approximately \$40,000,000. Officials of the FPHA cry crocodile tears that these reserves are necessary in part to insure the favorable marketability of the bonds which were sold to provide the capital funds for low-rent housing projects. These bonds are fully guaranteed by the United States both as to principal and interest. I am not aware that the credit of the United States requires additional bolstering at this time, although I can well understand that it might if persons such as officials of the Federal Public Housing Authority continue to manage the affairs of this Government.

Part of these impounded reserves are also for alleged vacancy losses. This is farfetched indeed if the poor and underprivileged are always with us, and regrettable as it surely is, I am afraid they are with us.

Working capital reserves and other reserves are provided beyond justification or need.

The lack of necessity for all these reserves is amply demonstrated by the astounding fact that they are substantially invested in Government bonds on which the United States taxpayer pays interest. Thus we are faced with the ridiculous situation of paying subsidies to local groups, who, not needing the funds, invest them in United States bonds. We thus pay them interest while at the same time they themselves owe the Government substantial funds.

Owing to the large amount of reserves held, which amount is beyond all reasonable proportion to the purpose of maintaining the low-rent character of local projects, and in view of the other factors set out here, the committee determined that the budget estimate of \$7,200,000 for subsidy payments should be reduced to \$2,200,000. This amount is adequate to cover contributions to local projects under the provisions of the United States Housing Act in view of the large reserves now on hand.

I would like to emphasize that the committee's investigation and report does not indict all local housing groups. As a matter of fact, many splendid examples of good public housing were found, and it is our belief that the spirit of the United States Housing Act would

be more properly and efficiently carried out if the yoke of the Federal Public Housing Authority were removed from their necks.

I believe that public housing is a local problem and does not need the supervision of a swollen Federal bureaucracy that is driving the taxpayer closer and closer to bankruptcy.

It is the belief of the committee that the Federal Public Housing Authority has exceeded its authority and needs to clean up its own operation. We feel the committee's action was necessary to correct certain practices not authorized by law. I am sure if the FPHA will clean its house, and stay within the law, the committee will deal fairly with the agency and carry out the commitments of the Federal Government to the local housing authorities provided the local housing authorities carry out the terms of their contracts within the law.

Mr. HARNESS of Indiana. Mr. Chairman will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HARNESS of Indiana. Does this propaganda which is going out emanate from Government agencies or Government employees?

Mr. JENSEN. It has all the earmarks of emanating from affected Government agencies.

Mr. HARNESS of Indiana. I suggest to the gentleman, if he can submit any proof, I shall be glad to receive it and turn it over to my committee which is now investigating propaganda and publicity by Government agencies.

Mr. JENSEN. I thank the gentleman from Indiana. I am quite sure the gentleman's committee will have a job to do in respect to this matter at an early date.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HAYS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Alabama [Mr. RAINS].

The Clerk read as follows:

Amendment offered by Mr. HAYS to the amendment offered by Mr. RAINS: In line 5, after the words "war housing", strike out the remainder and insert "situated within the approximate vicinity of any permanent Army or Navy Establishment and which requests were on file May 15, 1947."

Mr. HAYS. Mr. Chairman, I would have to join the chairman of our committee in opposition to the amendment offered by my good friend the gentleman from Alabama [Mr. RAINS], because I feel that we should not provide this sweeping exemption for even such worthy agencies of Government as the Army and Navy. I feel that it just could not be justified. But there are some situations that deserve attention and I should hope that my amendment might even meet the situation the gentleman from Alabama has in mind, and I trust that the chairman of the committee, the gentleman from Michigan, will agree to my amendment.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. RAINS. The gentleman from Arkansas is very persuasive. I rather think his amendment makes mine better

and I gladly accept it. I hope the chairman of the committee will accept it also.

Mr. HAYS. I thank the gentleman. I believe it is clear why there is resistance to the amendment of the gentleman from Alabama in the form in which he submitted it. In that form all the Army or Navy would have to do would be to say in effect "We desire this property over here." It might be any number of miles from the military establishment. We are gaining some experience in the handling of surplus property. I had occasion recently to look into the disposition of 40,000 acres of land under the Surplus Property Act, land classified as agricultural.

I fear that in certain instances there has not been a rigid interpretation of the purpose of Congress in handling transfer of this property to Government agencies. We ought to profit by this experience and because of the results of the inquiry I made in connection with surplus real estate I have this conviction about the loose handling of housing property. So, if the gentleman from Michigan would care to comment on the amendment I have offered as an improvement in the Rains amendment and would express his feeling, I would appreciate it. I hope he will offer no objection to it in order to meet some specific situations where applications were filed for land that is adjacent to these military establishments.

Mr. WOLCOTT. I may say that I am afraid of the situation for the reason that the War and Navy Departments have had 2 years in which to acquire these properties. They have had a top priority. They have been right here dealing daily with the administrators of this program. They surely have known long before this whether the housing projects in the vicinity of camps and bases were to be needed by the War Department and Navy Department as a part of their installation. Why have they not asked for this before? They did not appear before our committee, they did not ask to come before our committee. The first I heard about this was when we were about to bring this up on the floor. Then the War Department and Navy Department seemed to get hysterical about the fact that we were disposing of properties they might want. Frankly, it is not altogether, in my opinion, a question of their falling asleep on the projects, because the FPMA had an obligation to go out and sell these properties and on ever, one of these properties some one has come to the FPMA and asked about them. So there has been a little negotiation. If the FPMA had disposed of these properties previous to this time, if they had not been inclined to hold them for transfer to purposes that are not within the purview of this act, then the War Department and the Navy Department would have no rights whatsoever, no priorities and no opportunity to buy these properties. Now, all of a sudden they become very much interested in them. I think that the amendment the gentleman has offered, which restricts them to properties within the proximity of a camp and where application is made before a certain date, helps the situation,

but I am not sure it would cure all the ills, because these properties might be transferred to the War or Navy Departments, then transferred to somebody else for the very purpose of getting out from under the jurisdiction of this act.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Alabama.

Mr. RAINS. I want to call the gentleman's attention to the statement that the Army and Navy Departments have been waiting around during 2 years and they have had that time in which to get this very much needed war housing. That is a bit in error, according to the letter I read from the Secretary of War a moment ago. They already have tentative requests in for 24 establishments and this bill will cut them off from those requests which were made prior to the time of any work being done on this particular legislation. Further, I should like to make clear to the gentleman from Arkansas another fact. I presume he favors this amendment which I understand was offered as an amendment to the amendment provided it is limited to war housing in the immediate proximity of permanent War and Navy Establishments.

Mr. HAYS. That is the language of the amendment I have offered in an effort to meet some specific situations, yet not open the door to the wholesale transfer of property.

Mr. RAINS. I share the gentleman's opinion, and I think that is a very good safeguard.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Georgia.

Mr. PACE. Does not the gentleman think that the language in the amendment which provides that this applies only to applications which were pending before this bill was introduced would prevent the possible evasions mentioned by the chairman, particularly in view of the fact that it applies only to applications made by the Army and the Navy for immediately adjacent housing accommodations, and that approval was simply delayed because of some technical reason?

Mr. HAYS. I yield to the gentleman from Michigan to answer.

Mr. PACE. Under the amendment offered by the gentleman, this would apply only to those applications which were pending before the bill was introduced, and whose approval was delayed by reason of technical requirements of an investigation to be conducted before they were approved.

Mr. WOLCOTT. We have the list of the projects that the Army and the Navy have asked for as of April 15, 1947. That has been furnished to us by the Federal

Public Housing Administration. I wish the gentleman would look it over and see if the date could not be changed until April 15 to meet his situation, and if we can change the date to April 15, then, by reference to the report, anyone could determine that we intend to restrict the program to these particular projects and that would take a little curse off of it, if I may put it that way.

Mr. HAYS. I appreciate the point made by the chairman. I realize that it is never satisfactory to attempt to work out on the floor a difficult local situation. We have had two things in mind here. One was to avoid the mistake of a wholesale loss of property, where it was not needed, and then to meet specific situations properly, so if the gentleman from Michigan would agree to the April 15 date, I ask unanimous consent that my amendment be modified to read April 15 instead of May 15. I do not want to embarrass the chairman of the committee, but I am doing this in an effort to meet what I regard is a valid objection to the Rains amendment.

Mr. WOLCOTT. Mr. Chairman, if the gentleman will yield, if that amendment is offered, and if the modification is accepted, then it is understood that the projects which come within the purview of this amendment appear on page 13 of the hearings of the War Housing Disposal Act of 1947 of the House Committee on Banking and Currency.

Mr. HAYS. And I trust the Committee then will support us in this amendment because, as the gentleman from Michigan has pointed out, we can make this limitation very specific, and I am grateful to him for getting that into the RECORD so that it will be understood just what we are trying to do in this connection. I appreciate the hearing this Committee has given us.

Mr. Chairman, I ask unanimous consent that my amendment be regarded as modified by the change in date to April 15 rather than May 15.

Mr. RAINS. Mr. Chairman, if the gentleman will yield, I wonder if this is only the Army list. Does that include the Navy Establishment as well?

Mr. WOLCOTT. Yes. There are 24 Army projects and 5 Navy projects. They are found on page 13 of the hearings.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS to the Rains amendment: Amend the Rains amendment by striking out in line 5 after the words "war housing" the remainder and insert "situated within the proximate vicinity of any permanent Army or Navy establishment and which requests were on file April 15, 1947."

Mr. WOLCOTT. Mr. Chairman, on my own responsibility I am constrained to accept the amendment with the very definite understanding that it means that, if the amendment is adopted, the program of transfer to the Army and the Navy shall be for no other projects than those contained on page 13 of the hear-

ings of the House Committee on Banking and Currency on this act, and that it is not intended to include the transfer to the War Department or the Navy Department of any projects which are not included in that list. With that very definite understanding, for myself, I shall support the amendment.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from North Carolina.

Mr. FOLGER. May I say to my chairman that under those conditions as the gentleman outlines them, with that definiteness affixed to it, I am willing to go along, but otherwise I am not.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Arkansas.

Mr. HAYS. That certainly is my understanding. I am glad to have that in the record in that specific form.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment prior to this.

The CHAIRMAN. Is it an amendment to section 4 or any portion thereof?

Mr. ROGERS of Florida. Yes. It is on page 4.

The CHAIRMAN. The Clerk will report the amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Is the parliamentary situation such that we will dispose of the Rains amendment before we consider another amendment?

The CHAIRMAN. If the Rains amendment were adopted, it would preclude the offering by the gentleman from Florida of his amendment to section 4.

Mr. HAYS. Mr. Chairman, I ask unanimous consent that the Rains amendment be passed on first and that the gentleman from Florida [Mr. ROGERS] be permitted to offer his amendment just as soon as we have disposed of the pending amendment. I think that will be in the interest of clarification.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS] to the amendment offered by the gentleman from Alabama [Mr. RAINS].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Florida [Mr. ROGERS].

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 4, line 10, after the period insert the following sentence: "For purposes of this subsection terminal leave bonds (at face value plus interest at the time of sale) may be transferred to, and accepted by, the Administrator in lieu of cash, but shall be held by the Administrator until said bonds are payable as may be provided by law."

Mr. WOLCOTT. Mr. Chairman, I make the point of order against the amendment that it is not germane, that it operates in effect as an amendment to the Terminal Leave Pay Act, which is not within the subject matter of the bill under discussion.

The CHAIRMAN. Does the gentleman from Florida desire to be heard on the point of order?

Mr. ROGERS of Florida. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. ROGERS of Florida. Mr. Chairman, this bill sets out how these housing units shall be sold. It provides that they shall be sold for cash as expeditiously as possible and not later than December 31, 1948.

Sec. 4. (a) All war housing (except mortgages, liens, or other interests as security) transferred to the Administrator by section 3 shall, subject to the provisions of this act, be sold for cash as expeditiously as possible and not later than December 31, 1948. Wherever practicable each dwelling in a war housing project shall be offered for sale separately from other dwellings in such project. Any mortgage, lien, or other interest as security transferred to the Administrator by section 3 or acquired by him under this act pursuant to a contract entered into prior to February 26, 1947, may, subject to the provisions of this section, be sold for cash.

I provide in compliance with this particular section that a veteran who is in possession of the house and who has a priority under this bill may, in order to stay there and prevent being denied the right to purchase that house, if he has no money and has a bond plus a little money, to deposit this bond with the Administrator. The Administrator holds that bond until the law is passed providing that we shall cash them, whether it be 4 years, or if we pass a law which I think we are going to pass, and I do not think there is any question but what this Congress is going to pass a law making these bonds redeemable in cash or making them negotiable. Now, that is an absolute fact, and if that be so, then they can use these bonds as a part payment in cash. That is all I want to do.

Some of them may say, Mr. Chairman, "Well, we are going to pass an act." Suppose we do not pass that act? Here is a man in possession of the house who has a preference under the bill, and if he has no money, what can he do? It is, "Get out of here, Mr. Veteran, get out, and get out now." But he should be able to say, "I have a bond of the Government. The Government owes me \$700, or the Government owes me \$500." But, then, they will say, "That does not make any difference, and you have no right in this house; get out."

Mr. Chairman, I think this amendment is relevant; I think it is germane and pertinent to the provisions of this bill.

Mr. HALLECK. Mr. Chairman, I make the point of order that the gentleman from Florida is not addressing himself to the point of order, but is rather discussing the merits of the amendment.

The CHAIRMAN. The gentleman from Florida will speak to the point of order.

Mr. ROGERS of Florida. Mr. Chairman, I do not think there is any question that this certainly deals with how these houses may be purchased. This provides that it may be applied to a cash payment. The bill says cash. I provide by this amendment that for the purposes of this section the cash payment may be reduced by the value of the bond. That is all. To my mind, Mr. Chairman, it is germane.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. McCORMACK], if he desires to speak on the point of order.

Mr. McCORMACK. Mr. Chairman, this bill relates to the sale of certain war housing. Certainly, it seems to me in connection with the sale of war housing that Congress can determine the method of payment, whether it is cash or on term payments. And if that is so, the Congress can determine that terminal-leave bonds outstanding, and I am now talking on the point of order and not on the merits of the question, may be used in connection with the sale of war housing. It certainly seems to me if the Congress in its wisdom in connection with the sale of surplus war housing tries to permit the use of these terminal-leave bonds in payment in whole or in part, it is certainly germane to this bill, the basic premise of which is the sale of certain war housing, and this is an incidental part thereof.

The CHAIRMAN. Does the gentleman from Michigan [Mr. WOLCOTT] desire to be heard on the point of order?

Mr. WOLCOTT. I do, Mr. Chairman. I would like to be heard for this reason. Under the terminal-leave-payment bill, there is an express provision that the bonds are nonnegotiable and that the bonds are nontransferable. In order to provide that they be used as down payment or for any other purpose in connection with these projects, they must be negotiated; they must be transferred. For that reason, we amend a basic provision of the law which is not within the purview of the bill presently under consideration.

The CHAIRMAN (Mr. SCHWABE of Oklahoma). The Chair is ready to rule. The Chair holds the point of order is well taken, for the reason that the Terminal Leave Pay Act provided that the bonds were nonnegotiable for a definite period of time—5 years. That is not within the purview of the bill under consideration, this being a bill which does not seek to amend or change the provision of the Terminal Leave Pay Act, but merely for the disposal of surplus housing.

The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

WAR HOUSING MORTGAGE INSURANCE

SEC. 5. Title VI of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following:

"Sec. 609. (a) The Administrator is authorized, upon application by the mortgagee, to insure under section 603 or 608 of this title any mortgage executed in connection with the sale by the Federal Works Administrator of any housing (including property determined by the Federal Works Administrator to be essential to the use of such housing) transferred to the Federal Works

Administrator by the War Housing Disposal Act of 1947 without regard to—

"(1) any limit as to the time when any mortgage may be insured under this title;

"(2) any limit as to the aggregate amount of principal obligations of all mortgages insured under this title, but the aggregate amount of principal obligations of all mortgages insured pursuant to this section shall not exceed \$750,000,000;

"(3) any requirement that the obligation be approved for mortgage insurance prior to the beginning of construction or that the construction be new construction;

if such mortgage is otherwise eligible for insurance under such section and is eligible for insurance under subsection (b) of this section.

"(b) To be eligible for insurance pursuant to this section a mortgage shall—

"(1) have a maturity satisfactory to the Administrator but not to exceed 25 years from the date of the insurance of the mortgage.

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the reasonable value of the mortgaged property as determined by appraisal made by an appraiser or appraisers designated by the Administrator."

PREFERENCES

SEC. 6. (a) Preference in the purchase of any dwelling designed for occupancy by less than five families shall be granted to veterans and their families and to occupants over other prospective purchasers of such dwelling in the following order:

(1) A veteran and his family who occupy a dwelling unit in the dwelling to be sold.

(2) A veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be purchased; but if the dwelling is designed for occupancy by two, three, or four families, equal preference shall be granted to a private corporation, association, or cooperative society which is the legal agent of veterans and their families who intend to occupy the dwelling purchased by such corporation, association, or society.

(3) A nonveteran who occupies a dwelling unit in the dwelling to be sold.

(b) In the case of any war-housing project where it is not practicable to offer each dwelling for sale separately from other dwellings in the project and in the case of any dwelling designed for occupancy by more than four families, preference in the purchase thereof shall be granted to any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association, or society.

(c) The Administrator shall give such notice in such manner as he deems reasonable to enable prospective purchasers who have a preference under this section in the purchase of war housing to exercise such preference. Any prospective purchaser having a preference under subsection (a) in the purchase of any dwelling may apply for the purchase of such dwelling (1) if the preference is under paragraph (1), within 30 days after the date of the notice of the offer for sale, (2) if the preference is under paragraph (2), within 60 days after the date of the notice of the offer for sale, and (3) if the preference is under paragraph (3), within 90 days after the date of the notice of the offer for sale. Any corporation, association, or society having a preference under subsection (b) in the purchase of any war housing may apply for the purchase of such housing within 180 days after the date of the notice of the offer for sale.

SALES WITHOUT PREFERENCE

SEC. 7. If any dwelling or war-housing project is not sold to a purchaser who is granted a preference under section 6 and who applied within the time prescribed in subsection (c) of such section, such dwelling or war-housing project shall be sold as provided in this act without regard to any preferences granted under section 6 and without regard to any restrictions contained in any other law as to whom war housing may be sold.

TITLE OF PURCHASER

SEC. 8. A deed or other instrument executed by or on behalf of the Administrator purporting to transfer title or any other interest in property under this act shall be conclusive evidence of compliance with the provisions of this act insofar as title or other interest of any bona fide purchasers for value is concerned.

VALIDITY OF CONTRACTS

SEC. 9. Nothing in this act shall be deemed to impair or modify any contract entered into prior to February 26, 1947, for the sale of property, or any term or provision of any such contract, without the consent of the purchaser or his assignee, if the contract or the term or provision thereof is otherwise valid.

DISPOSITION OF PROCEEDS

SEC. 10. Moneys derived by the Administrator from the disposition of war housing under this act shall be covered into the Treasury as miscellaneous receipts.

Mr. WOLCOTT (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and the bill be considered as read for the purpose of offering amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 7, in line 13, after the word "granted", insert the word "first", and in line 16 strike out the period and insert a comma and the following: "and second to any city, village, town, county or other political subdivision, or public agency or corporation (including a housing authority), in whose area of jurisdiction or operation any such dwelling is located."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WOLCOTT. With the understanding that this provision for authority to purchase by a municipality succeeds the priorities set up for purchase by veterans and others in the language stating it, I see no reason why the gentleman's amendment should not be accepted.

Mr. BUCHANAN. Mr. Chairman, the purpose of this amendment is to give the cities and towns in which permanent war housing projects are located an opportunity to purchase this housing ahead of speculators.

In offering this amendment I do so with full knowledge that this bill is unworkable, unsound, and should be rejected by the House. However, this amendment is an effort to make a bad bill a little less bad and to give cities some protection against a wholesale movement

of this housing into the hands of speculators.

The majority report of the Banking and Currency Committee on this bill assumes that the great part of this permanent war housing is suitable for sale to individual veterans for their personal occupancy. This assumption is contrary to fact. Aside from the so-called de-mountable houses, the great bulk of the permanent Lanham Act housing is in multifamily projects. I am advised that out of the 540 projects affected by this bill, more than 300 are of a type which cannot feasibly be subdivided into individual units for sale to individual veterans.

It is precisely these projects which the speculators have an eye on. And it is precisely these projects which the speculators will get under the provisions of this bill.

The House should realize that the cities and towns in which these projects are located have a big stake and a vital concern in the future of this housing. The House should give careful consideration to the local interest in this housing and not ignore and override this local interest by passing hasty, ill-conceived, and irresponsible legislation.

Practically every city in the country has a serious housing shortage today. That alone gives every city where a Lanham Act project is located an immediate interest in how these projects are disposed of. But these cities also have a long-term interest in this housing. In many of them, these projects represent a substantial percentage of their total supply of rental housing. They want to see these projects disposed of in a manner that will serve the long-term housing needs of the community, that will tie in with the long-term growth and development of the community, and that will protect property values.

Above all, they do not want to see these properties dumped into the hands of speculators who will milk them as long as the housing shortage makes milking profitable and then let them deteriorate into slums. And that is precisely what is threatened by this bill in its present form.

The Lanham Act recognized the local interest in this housing. It specifically required that local officials be consulted in the development of this housing in order to conform it to local planning and tradition to the greatest extent practicable under wartime conditions. In the same manner, local governments have been consulted in the plans for disposition of these projects. Local disposition committees, appointed by the mayors or other heads of the local governments concerned, have worked closely with officials of the National Housing Agency and the Federal Public Housing Authority in developing local disposition plans. These local consultations have already been completed in the case of more than 300 permanent Lanham Act projects.

This entire framework of local consultation would be wiped out by this bill. This bill does not say a word about local consultation. It does not contain a whisper as to giving any attention or consideration to local recommendations on

disposition. It pulls away the responsibility for disposition from the agency which has been dealing with the local governments involved for more than 5 years and gives that responsibility to the Federal Works Administrator who necessarily has had no part in or knowledge of these local consultations. It simply orders him to sell these projects for cash and to sell all of them by December 31, 1948.

More than that, this bill does not even specifically recognize the right of local governments to buy these projects, in cases where they want to and are able to. Local governments would simply be lumped in with speculators and any other buyers where buyers in the preferred classifications did not appear. This is entirely contrary to the policy established by the Congress for all other surplus property disposal. In fact, in all other cases of surplus property, the Congress has uniformly given State and local governments a preference second only to the preference accorded to Federal agencies.

This amendment will not correct all the weaknesses I have outlined. No single amendment could possibly correct all the weaknesses and inconsistencies in this bill. But the amendment would at least give local governments and other local public bodies the clear-cut right to come in and bid for these projects at their appraised price and ahead of speculators.

This amendment would not interfere with veterans' preference in the disposal of this housing. The bill as reported gives preference for the purchase of projects not suitable for subdivision into individual properties to "any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association or society." This language is ambiguous. I doubt that many, if any, bona fide veterans' groups could qualify for purchase of these large projects under this provision. I also fear that this provision is open to abuse by dummy corporations and other fronts for speculators.

Nevertheless, this amendment would not disturb the preference to such corporations and associations. But it would give the second preference under this provision to local governments and other local public agencies to purchase projects located within their area of jurisdiction.

This is the least which the Congress should do to protect the interest of local communities in these housing projects. It would not eliminate the many unsound provisions which appear throughout this bill. It would not even preserve the right which local governments now have under the Lanham Act to come in and request the Congress to convey specific projects to them for use as low-rent housing where such use is desired by the community.

But it would at least give those local governments which are in a position to purchase these projects the right to do so and the opportunity to protect themselves and the future of their community against the consequences of exploitation of these projects by real-estate speculators.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN].

The amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 9, line 7, strike out the period and add a semicolon and insert "or (2) to prohibit the Administrator from completing under the provisions of the Lanham War Housing Act the sale of a war-housing project or portion thereof, upon terms other than cash to a mutual ownership or cooperative organization that has heretofore instituted negotiations with the Government toward the purchase of such housing for occupancy by members."

Mr. BYRNES of Wisconsin. Mr. Chairman, the purpose of this amendment is to correct a situation which I outlined when this bill was last under consideration. Under the provisions of this bill, the present occupants of a housing development who have banded together in order to purchase those homes will have to terminate those negotiations. I outlined at that time the situation which exists in the city of Manitowoc, in my district. In this case the layout of the housing project offered by the Government would not comply with the city zoning regulations. Any purchaser, therefore, would have to purchase all of the units and then improve them, put in new sewers, new kinds of foundations, and make various other repairs in order to comply with municipal regulations.

These people who presently occupy the homes, loyal war workers working in the shipyards at Manitowoc, inquired over a year ago as to what could be done whereby they could purchase these homes individually. The only solution that could be found was for them to band together and form a mutual ownership corporation which would buy the unit as a whole, make the necessary adjustments, and then sell to the individual under the arrangement which is provided for in the agreement under those circumstances. These people did join together. They hired counsel. They went to a great deal of work all under representations made to them by the Government. Now we come along with this legislation after over a year's work and the expenditure of funds and are going to say to these people: "That is all out of the window now, boys. We are sorry, but we have changed our minds and, in spite of all the work you have done, you can forget about it."

To me that is not equitable and the only thing this amendment does is to provide that, where there is a bona fide organization that has been formed and has already entered into negotiations with the Government for the purchase of such property, that organization shall be allowed to continue its negotiations. This does not necessarily mean that the Government has to sell to them if they do not meet conditions which presently exist. To put it quite frankly, the Government has been as much responsible as anybody for the fact that this negotia-

tion has not been concluded, because appraisals have not been made. When the committee advised the administration to cease in February, negotiations did not go through, they did not appraise the property; and that is just the point at which they are. All that is left is agreement on the sales price. It is a matter of time.

You may say they have had plenty of time, but they have not because they have had the legal technicality of complying with city zoning regulations, of getting a city ordinance passed in order to permit the purchase of this property, and the putting it in proper condition for use as peacetime housing. The city allowed the Federal Government to construct this project simply because there was an emergency, but looking to the future the city does not want this now turned into a slum district and they are insisting that their regulations be complied with. The units cannot be sold to an individual under those circumstances. It has to be through some organization which will buy the real estate, make these improvements, then resell it. You all know what that means. In that event it simply means that instead of the present tenants getting it under the arrangements that have been worked out, they will not. I might say also that under the arrangements worked out with this ownership organization it is provided that veterans have priority with the present occupants; so it is not going to deny housing units to any veteran.

I trust the committee will see fit to agree to this amendment and permit the continuation of the negotiations which have already been started.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the amendment offered by the gentleman from Wisconsin is adopted it would defeat the very purpose of this bill, which is to make these units available to as many veterans as possible. I do not know, but I could conjecture that there is not one of these units upon which there has been no negotiation whatsoever. I would assume that in the files of the Federal Public Housing Authority there is correspondence which might be considered the initiation of negotiations on all of these projects which we seek to dispose of under the terms of this provision. I may say in respect to the project which the gentleman has in mind that there are 94 single units which 94 veterans might purchase under very high priorities. There are 306 semidetached units which likewise 306 veterans can purchase, making a total of 400 units which can be made immediately available for purchase by veterans at very reasonable prices.

The danger of the gentleman's amendment is that if we delay the sale of these units because there have been some negotiations on them, then we would put these projects in a position where they could not be sold as individual units to individual veterans. We would have to sell the projects to whomever had been negotiating for the purchase of them. So it would destroy the very purpose

of the bill, therefore, I hope the gentleman's amendment will be defeated.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from North Carolina.

Mr. FOLGER. One of the great objectives sought in this bill is to make it possible for the veterans to obtain houses at reasonable prices?

Mr. WOLCOTT. That is right.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Utah.

Mr. GRANGER. As I understand it, the date used in this bill is February 26th, is that right?

Mr. WOLCOTT. Yes; that is the date on which we submitted to the Commissioner a resolution asking him not to dispose of any of these projects except in such a manner as to return cash to the Treasury from the proceeds of the sale. The program which FPHA was carrying on in some instances amortized the payments over 45 years with 5 percent down and 3½ percent interest. We did this so the Congress could formulate a program for the disposal of these projects without embarrassment to either the Administration or the purchasers. February 26 is the date on which we started to consider this program which resulted in the reporting of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The amendment was rejected.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to put a statement in the Record so that it will appear during the discussion on this bill in the House. We have in the United States large groups of houses, particularly in the western agricultural regions. I know that applies to California and Texas; I am quite sure to Oregon and Washington, and possibly to Utah and some of the other States. Some of this housing has been built during the war years; and I am advised by a member of the committee handling the bill that it would be classified as temporary housing. On the other hand, much of this housing has been in existence, to my personal knowledge, for 12 years or more. It may have been added to during the war.

There is a bill pending before the Committee on Agriculture attempting to dispose of this in such a way that it will be preserved for agricultural labor rather than sold to some buyer for resale on the open market, as would otherwise be required. It has occurred to me this bill might be a vehicle for the disposition of that housing in such a way that it could be protected for agriculture and while I am offering no amendment today, I rise to put this in the Record so that our friends in the other body will not say, if it is brought up over there, that nothing was said about it in the House, and so my friends on this committee will, I hope, give it sympathetic consideration if the matter is brought up in that way.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BRYSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRYSON: Page 9, insert after line 11 the following new section:

"Sec. 11. The term 'war housing' as defined in section 2 (3) of this Act shall not include any housing with respect to which the Federal Public Housing Authority received prior to June 9, 1947, a request that such housing be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income. The Federal Public Housing Commissioner shall, as expeditiously as possible, report all such requests to the Congress. The housing so requested shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BRYSON. Mr. Chairman, the amendment I propose would merely exclude from the provisions of this bill any housing now under the jurisdiction of the FPHA but which has already been requested by the local communities for low-rent use.

The projects thus effected are listed on page 82 of the report of the hearings on this bill.

These projects, which include 18,278 units, have been requested because the local communities in which they are situated are in great need of low-rent housing facilities.

The requests have been made in good faith under the provisions of the Lanham Act, but thus far the FPHA has not acted upon the requests. The law requires that all such requests be reported to the Congress for its approval. My amendment also requires that the FPHA report all these requests to the Congress as expeditiously as possible.

The need for low-rent housing facilities for families of low income is greater than ever before. Our working people cannot possibly finance the building of new homes at present inflated costs. They need adequate housing at rent they can afford to pay.

The bill, H. R. 3492, does lip service to veterans by giving them first preference in the purchase of these Government-built residences. However, it is reasonable to assume that very few veterans now occupying these units would be interested in purchasing them.

For instance, at Spartanburg, S. C., in my own district, the Camp Croft Courts, a 110-unit housing project built under the Lanham Act, is occupied by veterans exclusively. The city of Spartanburg last December filed a formal request with the FPHA for transfer of this project to low-rent use. According to information I have received from Spartanburg, none of the veterans now occupying these units desires to purchase the unit in which he is living. If the veterans do not wish to purchase these units, then why should the city of Spartanburg not take them over for low-rent use, since there is great need in that area for resi-

dences of that type at a rent rate the people can afford to pay? The same situation exists in the other communities where more than 70 applications already have been made for the transfer of these Lanham Act residences to low-rent use and for the purpose of slum clearance.

That was the original purpose of the Lanham Act, and these municipalities throughout the country have complied with the law in filing official requests for this property. I believe their requests should be honored.

If it is argued that these projects should not be used for the purpose of low rent and slum clearance at all, then I may point out that under the existing law the FPHA must submit the requests from the communities to the Congress before such transfers may be effected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. BRYSON].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SCHWABE of Oklahoma, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, pursuant to House Resolution 223, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CLASON asked and was given permission to extend his remarks in the Record and include a letter.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee this afternoon and include certain pertinent material.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Record and include a statement by Attorney General Tom Clark made this morning before the Committee on Expenditures in the Executive Departments.

REFERENCE OF THE BILL H. R. 2415

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the fur-

ther consideration of the bill H. R. 2415 and that the bill be referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 317. An act for the relief of Robert B. Jones;

S. 361. An act for the relief of Alva R. Moore;

S. 423. An act for the relief of John B. Barton;

S. 425. An act for the relief of Col. Frank R. Loyd;

S. 470. An act for the relief of John H. Gradwell;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 561. An act for the relief of Robert C. Birkes;

S. 620. An act for the relief of Mrs. Ida Elma Franklin;

S. 824. An act for the relief of Marion O. Cassidy; and

S. 832. An act for the relief of A. A. Pelletier and P. C. Silk.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes, p. m.) the House adjourned until tomorrow, June 19, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

803. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes; to the Committee on Interstate and Foreign Commerce.

804. A letter from the Under Secretary of the Interior, transmitting a draft of a proposed bill to authorize the transfer of lands in the Fort Wingate Military Reserve, N. Mex., from the War Department to the Interior Department; to the Committee on Armed Services.

805. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

806. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 139 individuals whose deportation has been suspended for more than 6 months; to the Committee on the Judiciary.

807. A letter from the Secretary of the Interior, transmitting a draft of a proposed joint resolution establishing a code for health and safety in bituminous-coal and lignite mines of the United States, the products of which regularly enter commerce or the operations of which substantially affect commerce; to the Committee on Education and Labor.

808. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TWYMAN: Committee on Post Office and Civil Service. H. R. 3638. A bill to amend section 10 of the act establishing a National Archives of the United States Government; without amendment (Rept. No. 597). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Washington: Committee on Post Office and Civil Service. H. R. 2588. A bill requiring all mails consigned to an airport from a post office or branch, or from an airport to a post office or branch, within a radius of 35 miles of a city in which there has been established a Government-owned vehicle service to be delivered by Government-owned motor vehicles; with an amendment (Rept. No. 598). Referred to the Committee of the Whole House on the State of the Union.

Mr. LOVE: Committee on Post Office and Civil Service. H. R. 3513. A bill to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund; without amendment (Rept. No. 599). Referred to the Committee of the Whole House on the State of the Union.

Mr. HESS: Committee on Armed Services. H. R. 3315. A bill to authorize conversions of certain naval vessels; with an amendment (Rept. No. 607). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 608. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. S. 116. An act for the relief of Mrs. Mildred Wells Martin; with an amendment (Rept. No. 600). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 405. A bill for the relief of Thomas M. Farley, Mrs. Susie Farley, Mrs. Helen Moss, the legal guardian of Donna Louise Farley, and the legal guardian of Melvin Moss; without amendment (Rept. No. 601). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 406. A bill for the relief of Walter R. and Kathryn Marshall; with an amendment (Rept. No. 602). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 990. A bill for the relief of the estate of Patricia Ann Moore, deceased; with an amendment (Rept. No. 603). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1492. A bill for the relief of P. L. (Spud) Murphey, coowner and manager of Spud's Tailors, Laundry & Dry Cleaning Works; with an amendment (Rept. No. 604). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1736. A bill for the relief of O. Dean Settles and Mrs. Ruth E. Settles, husband and wife; Mrs. Ruth E. Settles, individually; the estate of Ora H. Hatfield; and Mrs. Kittle B. Hatfield; with an amendment (Rept. No. 605). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2268. A bill for the relief of Charles E. Crook; with an amendment (Rept. No. 606). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Agriculture was discharged from the consideration of the bill (H. R. 2415) to amend the Farm Credit Act of 1933, as amended, and the Federal Farm Loan Act, as amended, so that after June 30, 1947, employment by production credit associations and national farm loan associations will be covered by the old-age and survivors insurance benefit provisions of the Social Security Act, and for other purposes, and the same was referred to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 3883. A bill to authorize and direct the Secretary of War to transfer to the Territory of Alaska the title to the Army vessel *Hygiene*; to the Committee on Armed Services.

By Mr. CARSON:

H. R. 3884. A bill to provide for including dairy cattle owned by a taxpayer conducting a dairy farm as "property used in the trade or business" within the meaning of section 117 (j) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HERTER:

H. R. 3885. A bill to provide that the Commissioner of Internal Revenue may by regulation eliminate the requirement that certain tax and information returns shall be made under oath; to the Committee on Ways and Means.

By Mr. LANDIS:

H. R. 3886. A bill to raise the minimum wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. McDOWELL:

H. R. 3887. A bill to amend section 102 of the Revised Statutes with reference to the penalty applicable in the case of contumacy of persons summoned by authority of Congress; to the Committee on the Judiciary.

By Mr. MEADE of Kentucky:

H. R. 3888. A bill to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PATTERSON:

H. R. 3889. A bill to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases; to the Committee on Veterans' Affairs.

By Mr. PETERSON:

H. R. 3890. A bill to amend the Servicemen's Readjustment Act of 1944 to extend unemployment compensation to veterans becoming ill or disabled while employed; to the Committee on Veterans' Affairs.

By Mr. SMITH of Wisconsin:

H. R. 3891. A bill to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations; to the Committee on Foreign Affairs.

By Mr. VURSELL:

H. R. 3892. A bill to amend the Armed Forces Leave Act of 1946 to permit settlement

and compensation for terminal leave under such act to be made in cash, to provide that bonds issued under such act shall be redeemable at any time, and for other purposes; to the Committee on Armed Services.

H. R. 3893. A bill to direct the Secretary of the Interior to establish appropriate zones for the State of Montana when prescribing open season for the taking of migratory waterfowl, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HAYS:

H. R. 3894. A bill to reduce the interest rate on tax overpayments and delinquencies from 6 percent to 4 percent; to the Committee on Ways and Means.

By Mr. HESS:

H. R. 3895. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 3896. A bill to provide for the payment of 30 days' basic compensation to certain persons separated from service in the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. HAYS:

H. R. 3897. A bill to authorize the Administrator of Veterans' Affairs to accept a conveyance to certain real estate as a site for a general hospital, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WOLCOTT:

H. R. 3898. A bill to amend the Reconstruction Finance Corporation Act, as amended, and to extend the succession and certain lending powers and functions of the Reconstruction Finance Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. SMATHERS:

H. R. 3899. A bill to amend section 12 of the Immigration Act of 1917; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 219. Joint resolution to abolish the office of Vice President of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to perpetuate the existence and identity of the United States Marine Corps by specifying its functions in legislation unifying the armed services of the United States; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 3900. A bill for the relief of Dr. Pradish Cheosakul; to the Committee on the Judiciary.

By Mr. DEWART:

H. R. 3901. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Martin E. Fossen; to the Committee on Public Lands.

H. R. 3902. A bill authorizing the Secretary of the Interior to issue a patent in fee to Gifford Monroe; to the Committee on Public Lands.

By Mr. PRESTON:

H. R. 3903. A bill for the relief of Lena E. Sikes; to the Committee on the Judiciary.

By Mr. WOODRUFF:

H. R. 3904. A bill for the relief of Kathleen Rose Ranes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

644. By Mr. ARNOLD: Petition of the faculty of the College of Agriculture and the staff of the Missouri Agricultural Experiment Station, University of Missouri, Columbia, Mo., not only "to restore the publication of the Experiment Station Record but to enlarge its scope and usefulness. This seems to be necessary in order to utilize our time most economically and to make our duties and activities of the greatest value to the farming people and industry"; to the Committee on Agriculture.

645. By the SPEAKER: Petition of Mrs. Pearl Arnold, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

646. Also, petition of Henry Clay Curtis, West Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to protesting further operation of rent control; to the Committee on Banking and Currency.

647. Also, petition of A. M. Keller, Tampa, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

648. Also, petition of Mrs. M. G. Rowe, Daytona Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

649. Also, petition of Henry Clay Curtis, West Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

650. Also, petition of the Municipal Council of St. Croix, V. I., petitioning consideration of their resolution with reference to expressing full confidence in and pledging loyal support to Gov. William H. Hastie; to the Committee on Public Lands.

651. Also, petition of Daniel N. Norton, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

652. Also, petition of the president, file department, City of New York Retired Men's Association, Inc., petitioning consideration of their resolution with reference to favoring a limited Federal tax exemption on pensions and annuity incomes; to the Committee on Ways and Means.

SENATE

THURSDAY, JUNE 19, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, our Father, while we pride ourselves that we learn something every day, we seem to make little progress in spiritual things.

Nowhere is our ignorance more tragic. So long have we been riding on the balloon tires of conceit, for our own good we may have to be deflated, that on the rims of humility we may discover the spiritual laws that govern our growth in grace. If our pride has to be punctured, Lord, make it soon before we gain too much speed.

For the salvation of our souls and the good of our country. In Jesus' name. Amen.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3492. An act to provide for the expeditious disposition of certain war housing, and for other purposes;

H. R. 3818. An act to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; and

H. R. 3839. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3792) to provide for emergency flood-control work made necessary by recent floods, and for other purposes, and it was signed by the President pro tempore.

PRICE-SUPPORT PROGRAM FOR WOOL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday, a vote is to be taken at 2:30 o'clock this afternoon on the conference report on Senate bill 814, and the time intervening between the convening of the Senate until the hour of 2:30 o'clock is under the control of the Senator from Vermont [Mr. AIKEN] and the Senator from Kentucky [Mr. BARKLEY]. Under the circumstances, the Chair can recognize no one except by permission of the Senator from Kentucky or the Senator from Vermont.

THE JOURNAL

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield to me to ask for the approval of the Journal?